

COMMERCE
FINANCIAL GROUP, INC.

Commerce Leasing Corporation
Commerce Mortgage Company

September 18, 1991

17535
SEP 24 1991 - 11 50 AM

INTERSTATE COMMERCE COMMISSION

1-267A014

SEP 24 11 46 AM '91
MOTOR OPERATING UNIT

Recordation Unit
Interstate Commerce Commission
12 & Constitution Avenue
Washington, D.C. 20423

RE: Perfection of First Security Interest in Railcar No. MNVA 2221

Dear ICC:

Please find enclosed Assignment and Lease Documentation which serve to grant a security interest in One (1) 100 ton covered hopper railcar identified by the markings MNVA 2221, to The First National Bank, Keewatin.

The parties involved in this transaction and their addresses are as follows:

- Lessor (owner of record): Commerce Leasing Corporation, a division of Commerce Financial Group, Inc.
8400 Normandale Lake Blvd., Suite 980
Bloomington, Minnesota 55437
- Secured Party: The First National Bank, Keewatin
Biwabik Branch
P.O. Box 209
Biwabik, Minnesota 55708
- Lessee in possession: MNVA Railroad, Inc.
262 1st Street West
Morton, Minnesota 56270

This is a sale/leaseback transaction and the operation and control of the railcar will remain with MNVA Railroad, Inc.

Please return the stamped and recorded Assignment and Lease Documents to Commerce Leasing Corporation.

Very truly yours,



Dennis R. Rollins
Vice President

DRR:md
Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

9/24/91

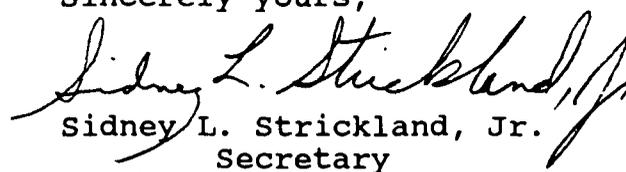
OFFICE OF THE SECRETARY

Dennis R. Rollins-
Vice President
Commerce Financial Group, Inc.
8400 Normandale Lake Blvd.
Ste. 980
Bloomington, Minnesota 55437

Dear Sirs:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/24/91 at 11:50AM , and assigned recordation number(s). 17535.

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

Lease No. 9105241-04
Lessee: MNVA Railroad, Inc.

COPY OF ORIGINAL
SECURITY INTEREST
DOCUMENTS

RECORDATION NO. **17535** FILED 1425

SEP 24 1991 - 11 50 AM ASSIGNMENT

INTERSTATE COMMERCE COMMISSION

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, Commerce Leasing Corporation, a division of Commerce Financial Group, Inc. (the "Assignor"), hereby assigns under this Agreement dated as of June 19, 1991, to The First National Bank, Keewatin (the "Assignee") all of its right, title and interest in and to that certain lease(s) or rental agreement(s) attached hereto as Exhibit A (individually or collectively, the "Lease") and certain of property subject to the Lease, which right, title and interest is described in Section 3 below. The lessee or lessees under the Lease are collectively referred to herein as the Lessee.

1. Warranties. Assignor warrants to Assignee that: (a) Assignor has full power and authority to make this Assignment; (b) there are no liens or claims of any nature which would prevent the Assignor from assigning its interest in the Lease or the Property subject to the Lease, free of encumbrances, (c) to the best of Assignor's knowledge, the Lease is not in default as of the date hereof; and (d) Assignor has not waived any obligation of the Lessee under the Lease. Except for the warranties stated above, this Assignment is without recourse against Assignor.

2. Purpose. Assignor desires to assign, on an exclusive basis, its legal title to the Equipment described in Acceptance Supplement No. 04 inclusive, to the Lease (the "Assigned Equipment") and all of its rights under the Lease that pertain to the Assigned Equipment and, on a nonexclusive basis, all of its other rights under the Lease, to Assignee (except that no rights to, or pertaining to, the Equipment other than the Assigned Equipment shall be granted under this Agreement), specified in this Assignment.

3. Present Assignment.

A. Assignor hereby sells, assigns and transfers to Assignee all of its rights and interest in and to:

(i) that certain Master Equipment Lease ("Lease"), dated as of May 24, 1991 between Commerce Leasing Corporation, a division of Commerce Financial Group, Inc. ("Lessor") and MNVA Railroad, Inc. ("Lessee"), such sale, assignment and transfer to be on an exclusive basis to the extent that such rights and interests pertain to the Assigned Equipment and on a nonexclusive basis with respect to all other rights and interests created under the Lease (except that no rights to, or pertaining to Equipment other than Assigned Equipment or Rental Payments [as defined in the Lease] other than Assigned Rental Payments [as herein defined] shall be granted under this Agreement); and

(ii) the Assignor's interest in and to the Assigned Equipment covered thereby (including, without limitation, any title to, equitable or other interest in, or security interest in the Assigned Equipment), such sale, assignment and transfer to be on an exclusive basis; and

(iii) all monies due or to become due under the Lease described in Acceptance Supplement No. 04 to the Lease (the "Assigned Rental Payments") commencing with the Monthly Rental Payment due August 1, 1991, to and including the Monthly Rental Payment due May 1, 1996, followed by a final payment due July 1, 1996 in the amount of \$13,363.20 (final payment proceeds in excess of such amount shall be for the account of Assignor), including without limitation, insurance proceeds pertaining to the Assigned Equipment, such sale, assignment and transfer to be on an exclusive basis; and

(iv) all of Assignor's rights and privileges under the Lease, such sale, assignment and transfer to be on an exclusive basis to the extent that such rights and privileges pertain to the Assigned Equipment and the Assigned Rental Payments and on a nonexclusive basis with respect to all other rights and privileges created under the Lease (except that no rights to, or pertaining to, Equipment other than Assigned Equipment or Rental Payments other than Assigned Rental Payments shall be granted under this Agreement).

B. Assignor irrevocably constitutes and appoints Assignee and any present or future officer or agent of Assignee, or the successors or assigns of Assignee, as its lawful attorney, with full power of substitution and resubstitution, and in the name of Assignor or otherwise, to collect the Assigned Rental Payments and to sue in any court for payments due under the Lease, or any part thereof, owing to Assignee under Section 3A, to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the Lease upon any terms, and to enforce the legal title to, or equitable or other interest in, the Assigned Equipment and the security interest created by the Lease in the Assigned Equipment, all without notice to or assent of Assignor, and, further, to take possession of and to endorse in the name of Assignor any instrument for the payment of money received on account of payments due under the Lease owing to Assignee under Section 3A. To the extent to which the Assignor receives any Assigned Rental Payments under the Lease from and after the effective date of this Agreement, it agrees to promptly forward any such payments to the Assignee.

4. Continuing Obligations of Assignor. Assignor specifically agrees that all of the obligations imposed upon the Lessor under the Lease shall be performed by Assignor, whether the obligation of performance arises before or after the effective date of the assignment made in Section 3 of this Agreement. In the event of a default by Lessee under the Lease, Assignor agrees to make all reasonable efforts to cooperate fully with Assignee or its assigns in the exercise of the rights under the Lease vested in Assignee by this Agreement, provided that Assignor shall not be required to incur any expenses in connection therewith.

5. Exculpation. Assignor shall not be liable for any error of judgement or for any action taken or omitted to be taken by Assignor, except for gross negligence or willful misconduct.

Without limiting the generality of the foregoing, Assignor: (a) may consult with legal counsel (including counsel for any Lessee), independent public accountants and other experts selected by Assignor, and shall not be liable for any action taken or omitted to be taken in good faith by Assignor in accordance with the advice of such counsel, accountants or experts; (b) shall not be responsible for

the performance or observance of any of the terms, covenants or conditions of the Lease on the part of the Lessee and shall not have any duty to inspect the property (including the books and records) of the Lessee; and (c) shall incur no liability under or in respect of the Lease or any document or collateral by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, cable or telex) believed by Assignor to be genuine and signed or sent by the proper party.

Assignee acknowledges that it has, based on such information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment.

6. Notice of Default. Assignor will use its best efforts to give Assignee notice of the occurrence of any Event of Default under the Lease of which Assignor shall have actual knowledge; but no failure to give such notice shall result in any liability on Assignor's part.

7. Further Assignment. Assignee's rights under the Lease, and in the Assigned Equipment, including its rights to receive and enforce payment of the Assigned Rental Payments or other payments to be made by Lessee or otherwise owing to Assignee under Section 3A of this Agreement and its legal title to, or equitable or other interest in, and security interest in the Assigned Equipment and the proceeds thereof, may be assigned and transferred and reassigned and transferred in whole or in part to one or more assignees or subassignees of Assignee at any time, without the consent of Assignor. All such assignments and transfers shall be subject to the rights of Lessee under the Lease.

8. Administrative Provisions.

A. This Agreement shall inure to the benefit of and shall be binding upon Assignor and Assignee and their respective successors and assigns.

B. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

C. This Agreement may be amended or any of its terms modified only by written amendment authorized and duly executed by Assignor and Assignee.

D. Any capitalized terms not otherwise defined in this Agreement shall have the same meanings ascribed thereto in the Lease.

E. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

F. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, Assignor has caused this Agreement to be executed in its corporate name by its duly authorized officer; and Assignee has caused this Agreement to be executed in its name by its duly authorized officer as of the date first above written.

Robin A. Ehlers
ROBIN A. EHLERS
NOTARY PUBLIC—MINNESOTA
SCOTT COUNTY
My Commission Expires Aug. 23, 1996

COMMERCE LEASING CORPORATION, A DIVISION
OF COMMERCE FINANCIAL GROUP, INC.
Assignor

By *Dan E. Senske*

Title President

THE FIRST NATIONAL BANK, KEEWATIN
Assignee

By *John Pedraza*

Title President

MASTER EQUIPMENT LEASE Commerce Leasing Corporation, a division
of Commerce Financial Group, Inc.

This is a Master Equipment Lease between _____, whose principal office is located at
8400 Normandale Lake Blvd., Suite 980, City of Bloomington, State of
Minnesota ("Lessor") and MNVA Railroad, Inc., whose
principal office is located at 262 First Street West, City of Morton,
State of Minnesota ("Lessee").

1. **LEASE.** Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, subject to the terms and conditions set forth herein, the items of personal property (the "Equipment") described in each Acceptance Supplement (a "Supplement") executed and delivered by the parties hereto pursuant to the terms of this Master Equipment Lease ("Lease"). Each Supplement shall be in the form prescribed by Lessor and, upon the execution and delivery thereof, shall constitute a part of this Lease to the same extent as if the provisions thereof were set forth in full in this Lease; the terms "Agreement," "hereof," "herein," and "hereunder," when used in this Lease, shall mean this Lease, each Supplement and each Schedule. This Agreement constitutes an agreement of lease and nothing herein contained shall be construed as conveying to Lessee any right, title, or interest in the Equipment except as lessee only.

2. **TERM; ACCEPTANCE; RENT; RETURN.** The term of lease of each item of Equipment shall commence on the Commencement Date specified in the Supplement pertaining to such Equipment and, unless earlier terminated pursuant to the provisions hereof, shall continue for the term specified in such Supplement. Lessee's execution and delivery of each Supplement shall constitute Lessee's irrevocable acceptance of the Equipment covered thereby for all purposes of this Agreement. Lessee shall pay to Lessor (at Lessor's office specified above, or as Lessor may otherwise designate) installments of rent as specified in each Supplement. The date on which rent is payable is hereinafter called a "Rent Payment Date." As to each Supplement, the first Rent Payment Date shall be the Rent Payment Date set forth therein, with the succeeding Rent Payment Dates on the corresponding day of each month thereafter. In addition, if applicable, Lessee shall pay interim rent for the period between the Commencement Date and the first Rent Payment Date, based on a 30 day month and the number of days between the Commencement Date and the first Rent Payment Date. In the event Lessee's rental payments or any other sum required to be paid to Lessor shall become past due, Lessor may, without declaring Lessee to be in default, charge Lessee interest on such past due amounts at the highest contract rate permitted by law in the state in which the Equipment is domiciled, not to exceed 1.5 % per month, which interest shall be payable by Lessee to Lessor on demand. Upon the expiration or earlier termination of the term of lease of each item of Equipment leased hereunder, Lessee shall at its expense return each item to Lessor at such location as Lessor may designate, in the condition required to be maintained by Section 8 hereof.

3. **SELECTION OF EQUIPMENT AND PREPAYMENTS.** Lessee requests Lessor to purchase the Equipment from the vendor selected by Lessee. If Lessee requests Lessor to make any payments to vendor or supplier, or if Lessor makes any such payment prior to delivery and acceptance, and if Lessee for any reason does not accept the Equipment, Lessee shall, on demand by Lessor, pay Lessor any amounts theretofore paid or owing by Lessor in respect to the purchase of such Equipment and upon such payment, Lessee shall be subrogated to Lessor's claims, if any, against the vendor or supplier thereof and Lessee shall become entitled to such Equipment, AS IS WHERE IS WITHOUT WARRANTY EXPRESS OR IMPLIED, by the Lessor with respect to any matter whatsoever, and Lessee shall indemnify and save Lessor harmless from any and all liability to the vendor or supplier thereof.

4. **DISCLAIMER OF WARRANTY.** LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER. Lessee confirms that it has made (or will make) the selection of each item of Equipment on the basis of its own judgment and expressly disclaims reliance upon any statements, representations or warranties made by Lessor. Lessor shall not be liable to Lessee for any matter relating to the ordering, manufacture, purchase, delivery, assembly, installation, testing, operation or servicing of the Equipment or for any claim, loss, damage or expense of any kind caused by the Equipment. Lessor hereby assigns to Lessee all rights which Lessor has or may acquire against any manufacturer, supplier, or contractor with respect to any warranty or representation relating to the Equipment leased hereunder.

5. **EQUIPMENT TO REMAIN PERSONAL PROPERTY; LOCATION; IDENTIFICATION; INSPECTION.** Lessee represents that the equipment shall be and at all times remain separately identifiable personal property. Lessee shall, at its expense, take such action as may be necessary to prevent any third party from acquiring any right to or interest in the Equipment by virtue of the Equipment being deemed to be real property or a part of other personal property and shall indemnify Lessor against any loss which it may sustain by reason of Lessee's failure to do so. The Equipment may not be removed from the location specified in the Supplement pertaining thereto without Lessor's prior written consent. If requested by Lessor, Lessee shall attach to and maintain on the Equipment a conspicuous plate or marking disclosing Lessor's ownership therein. Lessor or its representatives may, at reasonable times, inspect the Equipment.

6. **TAXES; INDEMNITY.** Lessee agrees to pay, and to indemnify and hold Lessor harmless from, all license fees, assessments, and sales, use, property, excise, and other taxes and charges (other than federal income taxes and taxes imposed by any other jurisdiction which are based on, or measured by, the net income of Lessor for reasons other than the ownership or leasing of the Equipment in such jurisdiction) imposed upon or with respect to (a) the Equipment or any part thereof arising out of or in connection with the shipment of Equipment or the possession, ownership, use or operation thereof, or (b) this Agreement or the consummation of the transactions herein contemplated. Lessee further agrees to assume liability for, and to indemnify and hold Lessor harmless against, all claims, costs, expenses, damages, and liabilities arising from or pertaining to the manufacture, assembly, installation, ownership, use, possession and operation of the Equipment, including, without limitation, latent and other defects, whether or not discoverable by Lessee or any other person, any expense, liability or loss directly or indirectly related to or arising out of any injury to any person or tangible or intangible property, whether arising from negligence or under any theory of strict or absolute liability or any other cause, or any claim for patent or copyright infringement, together with all legal fees and expenses reasonably incurred by Lessor in connection with any liability asserted against it, whether groundless or otherwise. The agreements and indemnities contained in this Section shall survive the expiration or earlier termination of this Agreement.

7. **ASSIGNMENTS, SUBLETTING, ENCUMBRANCES.** Lessee will not, without Lessor's prior written consent, assign or transfer this Lease or any interest herein, or sublease or relinquish possession of, or create or suffer to exist any lien, mortgage, security interest or encumbrance upon the Equipment. Lessor may assign this Lease and its right, title and interest in the Equipment with notice to Lessee. If Lessee is given notice of such assignment, it shall acknowledge receipt thereof in writing. Each assignee shall have all of the rights, but none of the obligations, of Lessor under this Lease. Lessee shall not assert against assignee any defense, counterclaim or offset that Lessee may have against Lessor. Notwithstanding any such assignment, Lessor warrants that Lessee shall quietly enjoy use of the Equipment subject to the terms and conditions of this Lease. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, legatees, personal representatives, successors and assigns of the parties hereto.

8. **USE, REPAIRS, ETC.** Lessee will cause the Equipment to be operated in accordance with the manufacturer's or supplier's instructions or manuals by competent and duly qualified personnel only and in compliance with all laws and regulations and the insurance policies required to be maintained hereunder. Lessee will, at its expense, maintain the Equipment in good repair, condition and working order and furnish all parts, mechanisms, devices, and servicing required therefor so that the value and condition thereof will at all times be maintained, normal wear and tear excepted. All such parts, mechanisms and devices shall immediately, without further act, become part of the Equipment for all purposes of this Agreement without cost to Lessor. Lessee will not alter or add to the Equipment without Lessor's prior written consent. Lessee will remove any attachments, alterations or accessories at the termination of this Lease if Lessor shall so demand. In the absence of such demand, all attachments, alterations or accessories shall become part of the Equipment at the time of their attachment thereto.

9. LOSS; DAMAGE. If any Equipment shall be lost, stolen, destroyed, damaged beyond repair, or rendered permanently unfit for normal use for any reason, or in the event of any condemnation, confiscation, seizure, or requisition of title to or use of any Equipment (each of the foregoing being hereinafter called a "Loss"), Lessee shall promptly pay to Lessor an amount equal to the sum of (i) all rent and other amounts due and owing hereunder for such Equipment to and including the date of the Loss, and (ii) the Stipulated Loss Value of such Equipment computed as of the Rent Payment Date occurring on or immediately preceding the date of the Loss as set forth in Schedule A attached to each Supplement, whereupon Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title, and interest in such Equipment. If any Equipment is damaged as the result of an event not constituting a Loss, Lessee shall promptly cause such item to be repaired or replaced in accordance with the provisions of Section 8 hereof.

10. INSURANCE. Lessee shall maintain at all times on the Equipment, at Lessee's expense, property damage, direct damage, and liability insurance in such amounts, against such risks, and in such form and with such insurers as shall be satisfactory to Lessor. The required insurance shall be as specified in the applicable Supplement; provided, that the amount of direct damage insurance shall not on any date be less than the greater of the full replacement value or the Stipulated Loss Value of the Equipment as of such date. Each insurance policy will name Lessor as additional insured and as loss payee, and shall contain a clause requiring the insurer to give to Lessor at least 30 days prior written notice of any alteration in or cancellation of the terms of such policy. Lessee shall furnish to Lessor a certificate or other evidence satisfactory to Lessor that such insurance coverage is in effect, provided, however, that Lessor shall be under no duty to ascertain as to the existence or adequacy of such insurance. Lessee shall promptly notify Lessor and any appropriate insurer of each occurrence which may become the basis of a claim or cause of action against the insureds and shall provide Lessor with all data pertinent to such occurrence. The proceeds of any insurance award shall be applied, at the option of Lessor, toward (1) the repair or replacement of the appropriate Equipment, (2) payment of the Stipulated Loss Value thereof, or (3) payment of, or as provision for satisfaction of, any other accrued obligations of Lessee hereunder. Any excess of such proceeds remaining shall belong to Lessee. Lessee hereby appoints Lessor as Lessee's attorney-in-fact with full power and authority to do all things, including, but not limited to, making claims, receiving payments and endorsing documents, checks or drafts, necessary or advisable to secure payments due under any insurance policy contemplated hereby on account of an insured loss.

11. NON-CANCELLABLE AGREEMENT; LESSEE'S OBLIGATIONS UNCONDITIONAL. This Agreement cannot be cancelled or terminated except as expressly provided herein. Lessee agrees that its obligation to pay all rent and other amounts payable hereunder and to perform its duties with respect hereto shall be absolute and unconditional under any and all circumstances, including, without limitation, the following:

- (a) Any setoff, counterclaim, recoupment, defense, or other right which Lessee may have against Lessor, the manufacturer, or supplier of any Equipment or anyone else for any reason whatsoever;
- (b) Any defect in the condition, design, title, operation, or fitness for use, or any damage to or loss of any Equipment;
- (c) Any insolvency, reorganization or similar proceedings by or against Lessee;
- (d) Any dispute of any nature between Lessor and Lessee; or
- (e) Any other event or circumstances whatsoever, whether or not similar to the foregoing.

Each rent or other payment made by Lessee hereunder shall be final and Lessee will not seek to recover all or any part of such payment from Lessor for any reason whatsoever.

12. DEFAULT. If (i) Lessee shall fail to make any payment of rent or other amount owing hereunder when due; (ii) Lessee shall fail to perform or observe any other covenant, agreement, or condition hereunder; (iii) any representation or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith shall prove to be incorrect at any time; or (iv) 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 receiver shall be appointed for Lessee or for a substantial part of its property or for the Equipment, or reorganization, arrangement, insolvency, dissolution, or liquidation proceedings shall be instituted by or against Lessee (each of the foregoing being herein called an "Event of Default"), then Lessor may declare this Agreement to be in default and may do one or more of the following with respect to any or all of the Equipment as Lessor in its sole discretion may elect, to the extent permitted by, and subject to compliance with any mandatory requirements of applicable law then in effect: (a) demand that Lessee, and Lessee shall at its expense upon such demand, return the Equipment promptly to Lessor in the manner and condition required by and otherwise in accordance with the provisions of Section 2 hereof, as if the Equipment were being returned at the expiration of its term of lease

hereunder, or Lessor, at its option, may enter upon the premises where the Equipment is located and take possession of and remove the same by summary proceedings or otherwise, all without liability to Lessor for damage to property or otherwise; (b) sell the Equipment at public or private sale, with or without notice to Lessee or advertisement, or otherwise dispose of, hold, use, operate, lease to others or keep idle the Equipment as Lessor may determine, all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto; (c) by written notice to Lessee, demand that Lessee pay and Lessee shall pay to Lessor, as liquidated damages for loss of a bargain and not as a penalty, on the payment date specified in such notice, an amount (together with interest thereon at the rate of 18% per annum or at the highest rate permitted by law, whichever is less, from said date to the date of actual payment) equal to the amount by which the Stipulated Loss Value of the Equipment computed as of the Rent Payment Date occurring on or immediately preceding the payment date specified in such notice exceeds the Fair Market Sales Value of such Equipment; and (d) 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 Agreement. In addition, Lessee shall be liable for all unpaid rent and other amounts due hereunder before or during the exercise of any of the foregoing remedies and for all legal fees, taxes, governmental charges and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including placing any Equipment in the condition required by Section 8 hereof. No exercise of the foregoing remedies shall operate to terminate this Lease unless and until Lessee's obligations hereunder are performed in full.

For the purpose of the preceding paragraph, the "Fair Market Sales Value" of any Equipment shall mean such value to Lessor net of all expenses and costs whatsoever which would be incidental to the reclamation of the Equipment and the sale thereof as determined (at Lessee's expense) by an independent appraiser selected by Lessor; provided, however, that (i) the "Fair Market Sales Value" of any Equipment shall be zero if Lessor is unable to recover possession thereof in accordance with the terms of clause (a) of the immediately preceding paragraph, and (ii) if Lessor shall have sold any Equipment prior to the giving of the notice referred to in clause (c) of the immediately preceding paragraph, the "Fair Market Sales Value" thereof shall be the net proceeds of such sales after deducting all costs and expenses incurred by Lessor in connection therewith. Except as expressly provided above, no remedy referred to in this Section is exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor at law or equity; and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any other remedies. No express or implied waiver by Lessor of an Event of Default shall constitute a waiver of any other or subsequent Event of Default. To the extent permitted by law, Lessee 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 or which may otherwise limit or modify any of Lessor's rights or remedies.

~~**13. TAX BENEFIT INDEMNITY.** Lessee and Lessor agree, and Lessor represents, warrants, guarantees and covenants that, with respect to the Equipment, Lessor (the term "Lessor" shall hereinafter be deemed to include the entity or entities, if any, with which Lessor consolidates its tax returns) shall be entitled to and shall have the benefit of the full investment tax credit and maximum accelerated cost recovery deductions, and that Lessee will at no time take or omit to take any action if said act or omission would jeopardize said tax benefits; and, if, under any circumstances whatsoever, the United States government or any state or other tax authority shall disallow, in whole or in part, said investment tax credit and/or cost recovery deductions, Lessee shall indemnify Lessor for said disallowance by paying Lessor upon demand such cash lump sum, calculated by Lessor, equal to the amount necessary to enable Lessor to receive, on a net after-tax basis over the full term of the Lease, the same rate of return that Lessor would have realized had there not been a disallowance of such benefit, together with the amount of any interest penalties and/or additional taxes which may be assessed by any governmental authority as a result of said disallowance and indemnity payment. Notwithstanding the foregoing, Lessee shall not be obligated to indemnify Lessor for the disallowance of investment tax credit or cost recovery deductions with respect to said Equipment under any of the following circumstances: (1) Lessor sells the Equipment, unless said sale is pursuant to the exercise of Lessor's remedies following Lessee's default of any of Lessee's obligations under the Lease or under the terms of any other obligation Lessee may have to Lessor, or (2) Lessor fails to timely claim the investment tax credit or cost recovery deductions, unless such failure results from circumstances not reasonably within Lessor's control, or (3) there is a disqualifying change in the nature of, or liquidation of, Lessor's business, or (4) any event other than Lessee's default occurs which under the terms of the Lease requires payment by Lessee, and Lessee shall have paid in full, the Stipulated Loss Value of the Equipment, or (5) Lessor fails to have sufficient tax liability against which to~~

Initial X

tax authority of a proposed disallowance of any such credit or deductions for which additional amounts may be payable to Lessor by Lessee in accordance herewith. Lessor agrees to promptly notify Lessee of such disallowance. All of Lessor's rights and privileges arising from the agreements contained in this paragraph shall survive the expiration or other termination of the Lease, and are expressly for the benefit of, and shall be enforceable by, Lessor and its successors and assigns.

14. LESSOR'S RIGHTS TO PERFORM. If Lessee fails to make any payment required to be made hereunder or fails to comply with any other agreements contained herein. Lessor may make such payment or comply with such agreement, and the amount of such payment and the reasonable expenses of Lessor incurred in connection with such payment or compliance, shall be payable by Lessee on demand.

15. FURTHER ASSURANCES. Lessee will, at its expense, promptly and duly execute and deliver to Lessor such further documents and assurances and take such further action as Lessor may from time to time request in order to more effectively carry out the intent and purpose of this Agreement so as to establish and protect the rights, interests and remedies intended to be created in favor of Lessor hereunder, including, without limitation, the execution and filing of financing statements and continuation statements with respect to the Equipment and this Agreement. Lessee authorizes Lessor to effect any such filing (including the filing of any financing statements without the signature of Lessee) and Lessor's expenses with respect thereto shall be payable by Lessee on demand.

16. NOTICES. All notices and other communications required to be given to any party hereunder shall be in writing and delivered or mailed by regular mail to such party at the address set forth above or at such other address as it may designate to other parties.

17. MISCELLANEOUS. As used in this Agreement, the "Stipulated Loss Value" for any Equipment shall mean, as of any Rent Payment Date, an amount determined by multiplying the cost of such Equipment by the percentage specified opposite such Date in Schedule A annexed to the applicable Supplement. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee waives any provision of law which renders any provision hereof unenforceable in any respect. This Agreement and the provisions hereof shall inure to the benefit of Lessor and its successors and assigns, and shall be binding on and inure to the benefit of Lessee and its successors and assigns.

18. CONDITIONS PRECEDENT. The obligation of Lessor contained in Section 1 of the Agreement shall be subject to the following conditions precedent: (a) there shall have occurred no material adverse change in the business or the financial condition of Lessee from the date hereof until the Commencement Date of any Supplement; (b) Lessee shall have furnished Lessor with a certificate or other evidence satisfactory to Lessor that insurance coverage as required by Section 10 of the Agreement is in effect as to the item of Equipment desired to be leased; (c) unless specifically waived by Lessor, Lessee shall have furnished Lessor opinions of counsel as to the Agreement, in form and substance acceptable to Lessor; (d) unless specifically waived by Lessor, Lessee shall have furnished Lessor waivers, in form and substance acceptable to Lessor, of all rights in or to the Equipment of any landlord or mortgagee of any real property upon which the Equipment is or is to be situated; and (e) all other instruments and legal and corporate proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to Lessor, and counsel to Lessor shall have received copies of all documents which it may have requested in connection therewith. If any of the above conditions is not satisfied at the time Lessee submits any Supplement, Lessor shall have no obligation under this Agreement to lease the items of personal property covered thereby to Lessee.

19. FINANCIALS. Lessee agrees that for so long as any item of Equipment shall be leased under the Agreement, Lessee will deliver or cause to be delivered to Lessor (a) as soon as practicable, and in any event within sixty (60) days after the end of each quarterly period (other than the fourth quarterly period) for each fiscal year of Lessee, the balance sheet of Lessee as of the end of such quarterly period together with the related statements of income and expense for such quarterly period all in reasonable detail prepared in accordance with generally accepted accounting principles consistently applied throughout the period involved and certified by Lessee's chief financial officer; and (b) as soon as practicable, and in any event within one hundred twenty (120) days after the close of each fiscal year of Lessee, the audited balance sheet of Lessee as of the end of such fiscal year together with the related statements of income and surplus for such fiscal year all in reasonable detail, prepared in accordance with generally accepted accounting

principles consistently applied throughout the period involved and certified by an independent certified public accountant acceptable to Lessor.

20. REPRESENTATIONS, WARRANTIES AND COVENANTS.

Lessee represents, warrants, and covenants that: (a) If Lessee is a corporation, Lessee is duly organized and validly existing in good standing under the laws of the state of its incorporation and is duly qualified and licensed to do business as a foreign corporation in good standing in those jurisdictions where such qualifications are necessary to authorize Lessee to carry on its present business and operations and to own its properties or to perform its obligations hereunder; (b) if Lessee is a partnership, Lessee is duly organized and validly existing under the partnership laws of its state of domicile and is duly authorized in any foreign jurisdiction where such qualification is necessary to authorize Lessee to carry on its present business and operations and to own its properties and to perform its obligations hereunder; (c) Lessee has full power, authority, and legal right to execute, deliver, and carry out as Lessee the terms and provisions of this Agreement and any other documents in connection with this lease transaction; (d) if Lessee is a corporation, Lessee's execution, delivery, and performance of this Agreement and the other documents and agreements referred to herein, and the performance of its obligations under this Agreement have all been authorized by all necessary corporate action, do not require the approval or consent of stockholders, or of any trustee or holders of any indebtedness or obligation of Lessee and will not violate any law, governmental rule, regulation, or order binding upon Lessee or any provision of any indenture, mortgage, contract, or other agreement to which Lessee is a party or by which it is bound or to which it is subject, and will not violate any provision of the Certificate of Incorporation, By-Laws, or any preferred stock agreement of Lessee; (e) If Lessee is a partnership, Lessee's execution, delivery, and performance of this Agreement and the other documents and agreements referred to herein, and the performance of its obligations under this Agreement have all been authorized by all necessary partnership actions; (f) there are no pending or threatened investigations, actions, or proceedings before any court or administrative agency or other tribunal body, which seek to question or set aside any of the transactions contemplated by this Agreement, or which, if adversely determined, would materially affect the condition, business, or operation of Lessee; (g) Lessee is not in default in any material manner in the payment or performance of any of its obligations or in the performance of any contract, agreement, or other instrument to which it is a party or by which it or any of its assets may be bound; (h) the balance sheet of Lessee as of the end of its most recent fiscal year and the related profit and loss statement of the Lessee for the fiscal year ended on said date, including the related schedules and notes, together with the report of an independent certified public accountant, heretofore delivered to Lessor, are all true and correct and present fairly (x) the financial position of Lessee as at the date of said balance sheet and (y) the results of the operations of Lessee for said fiscal year; (i) all proceedings required to be taken to authorize the lease of the Equipment from Lessor and to protect Lessor's interest in such Equipment, free and clear of all liens and encumbrances whatsoever, have been taken; (j) Lessee has no significant liabilities (contingent or otherwise) which are not disclosed by or reserved against the financial statements referred to in (h) above; (k) all the financial statements referred to in (h) above have been prepared in accordance with generally accepted accounting principles and practices applied on a basis consistently maintained throughout the period involved; (l) there has been no change which would have a material adverse effect on the business or financial condition of Lessee from that set forth in the balance sheet referred to in (h) above; (m) no authorization, consent, approval, license, exemption or filing or registration with any court, governmental unit or department, commission, board, bureau, agency, instrumentality or the like is required or necessary for the valid execution and delivery of the Agreement, any bill of sale, and the other documents and agreements referred to herein; (n) this Master Lease Agreement, the Supplements, and any accompanying documents, having been duly authorized, executed and delivered to Lessor, constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof except as such terms may be limited by bankruptcy, insolvency, or similar laws affecting the enforcement of creditor's rights generally; (o) each item of Equipment will constitute unused "new Section 38 property" in the hands of Lessor within the meaning of the Internal Revenue Code of 1954, as amended, on the Commencement Date specified in the Supplement pertaining to said item of Equipment; (p) the Equipment is personal property and neither real property nor a fixture; (q) as of the Commencement Date of each item of Equipment, a reasonable estimate of the estimated fair market value of such item of Equipment at the end of the lease term thereof will be at least 20% of the Lessor's cost thereof (without including in such value any increase or decrease for inflation or deflation, and after subtracting from such value any cost for removal and delivery of possession of Equipment to Lessor at the end of the lease term thereof); and (r) as of the Commencement Date of each item of Equipment, a reasonable estimate of the estimated useful life of such item of Equipment at the end of the original lease term will be at least two years beyond the lease term thereof.

21. RENEWAL AND PURCHASE OPTIONS. Provided that this Lease has not been earlier terminated and Lessee is not in default hereunder, Lessee may by written notice delivered to Lessor not less than ninety (90) days prior to the end of the initial Lease term, or any extended term of this Lease, as the

case may be, do the following: (i) Elect to extend the term of this Lease in respect of all but not fewer than all of the Equipment then covered by this Lease, for additional one (1) year periods commencing on the scheduled expiration of the initial Lease term or any extended term of this Lease, as the case may be, at a fair rent value ("Fair Rent Value") payable in annual/periodic payments in advance for each year of the extended term or (ii) Elect to purchase all, but not fewer than all Equipment then covered by this Lease for a purchase price equal to fair market value ("Fair Market Value") of such Equipment as of the end of the initial or extended term of this Lease as the case may be. In the event of purchase, upon receipt of the purchase price in accordance with this paragraph, Lessor will transfer to Lessee all of its right, title and interest in the Equipment purchased as-is, where-is, without recourse, representation or warranty of any kind, express or implied. Fair Rent Value and Fair Market Value shall be determined on the basis of, and shall be equal in amount to the value which would be obtained in arm's-length transaction between an informed and willing Lessee or buyer-user, as applicable (other than (i) a Lessee currently in possession and (ii) a used Equipment dealer) and an informed and willing Lessor or seller, as applicable, under no compulsion to lease or sell and, in such determination, costs of removal from the location of current use shall not be a deduction from such value. If on or before sixty (60) days prior to expiration of the term of this Lease, Lessor and Lessee are unable to agree upon a determination of Fair Rent Value or Fair Market Value, as applicable, of Equipment, such value shall be determined in accordance with the foregoing definition by an independent appraiser selected by Lessor. The Appraiser shall be instructed to make a determination within a period of thirty (30) days following appointment, and shall promptly communicate such determination in writing to the Lessor and Lessee. The determination so made shall be conclusively binding upon the Lessor and Lessee. Expenses and fees of the Appraiser shall be borne by the Lessee.

22. CHOICE OF LAW. The rights and liabilities of the parties under this Lease and each Supplement shall be interpreted, enforced and governed in all respects by the laws of the State of Minnesota

_____. Lessee hereby expressly and irrevocably agrees that Lessor may bring any action or claim to enforce the provisions of this Lease and each Supplement in the State of Minnesota

_____ and Lessee hereby irrevocably consents to personal jurisdiction in the appropriate State of Minnesota

_____ or federal court therein. Lessee hereby further irrevocably consents to service of process in accordance with the provisions of the laws of the State of Minnesota

_____. Nothing herein shall be deemed to preclude or prevent Lessor from bringing any action or claim to enforce the provisions of the Lease and each Supplement in any other appropriate place or forum. Lessee hereby waives a trial by jury and the right to interpose any counterclaim or offset of any nature or description in any litigation between the Lessee and Lessor with respect to this Lease and each Supplement, the Equipment covered hereby and the repossession hereof.

23. SECURITY. Lessee has deposited with Lessor the 'Deposit' as set forth in the Supplement as security for its payment of rent and of the other amounts due hereunder, and in performance of its other obligations under this Lease. Lessor may, but shall not be obliged to, apply such deposit to cure any default of Lessee hereunder, in which event Lessee shall promptly restore the Deposit to the full amount deposited. Upon termination of the initial or any renewal term of this Lease, if Lessee has fulfilled its obligations hereunder, Lessor shall return to Lessee any remaining balance of the Deposit.

24. ATTORNEY'S FEES. If Lessor commences any action to enforce or define any right or obligation of Lessee under this Agreement or any Supplement, the Lessee shall pay to the Lessor all reasonable attorneys' fees and all other legal expenses (including for expert and other witnesses) for preparation, negotiation, filing, maintenance, defense, settlement, and appeal of litigation paid or incurred by the Lessor.

25. HEADINGS. The headings for the various Sections of this Agreement are intended solely for convenience of reference and are not intended nor shall they be used to construe, explain, modify, or place any meaning upon any provision thereof.

26. MODIFICATION. Neither this agreement nor any Supplement can be modified or amended except by written agreement signed and currently dated by both signatories hereto.

27. COUNTERPARTS. The parties may execute this Agreement and any Supplement in any number of counterparts. All such counterparts of this Agreement constitute one Agreement. All such counterparts of a Supplement constitute one Supplement. Each counterpart is an original instrument.

28. LESSEE'S ACKNOWLEDGEMENT OF NO EXTRINSIC PROMISES. LESSEE AGREES THAT THERE HAVE BEEN AND SHALL HAVE BEEN NO REPRESENTATIONS, AGREEMENTS, STATEMENTS, PROMISES, UNDERSTANDINGS, OR INDUCEMENTS (COLLECTIVELY IN THIS SECTION "PROMISES") MADE TO LESSEE BY OR ON BEHALF OF LESSOR OR ANY THIRD PERSON IN CONNECTION WITH THIS AGREEMENT, ANY SUPPLEMENT, ANY EQUIPMENT LEASED HEREUNDER, OR ANY PRESENT OR FUTURE TRANSACTION OF WHICH THIS AGREEMENT AND/OR ANY SUPPLEMENT IS OR BECOMES A PART OTHER THAN THOSE PROMISES, IF ANY, EXPRESSLY IN WORDS MADE IN THIS AGREEMENT AND EACH SUPPLEMENT.

29. ENTIRE AGREEMENT. THIS AGREEMENT IS AN INTEGRATION AND EACH SUPPLEMENT IS AN INTEGRATION AND RESPECTIVELY THE ENTIRE AGREEMENT BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER OF EACH TRANSACTION EMBRACED THEREBY. ALL AGREEMENTS, REPRESENTATIONS, PROMISES, INDUCEMENTS, STATEMENTS, AND UNDERSTANDINGS, PRIOR TO AND CONTEMPORANEOUS WITH THIS AGREEMENT AND PRIOR TO AND CONTEMPORANEOUS WITH EACH SUPPLEMENT, WRITTEN AND ORAL, BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER OF EACH SUCH TRANSACTION, IF ANY, ARE AND EACH IS SUPERSEDED BY THIS AGREEMENT AND BY EACH SUPPLEMENT AS IT IS EXECUTED.

Executed as of the 24 day of May, 19 91 at Morton, MA

Dione J Wood
Witness

D R Fallins V.P.
Witness

By execution hereof, the signer hereby certifies that he has read this Agreement, and that he is duly authorized to execute this Master Equipment Lease on behalf of Lessee.

LESSEE: MNVA Railroad, Inc.
By Dan A. Blum
Title Pres
By _____
Title _____

LESSOR: Commerce Leasing Corporation, a division of Commerce Financial Group, Inc.
By James E. Senzke
Title President

SUPPLEMENT NO. 04
TO
MASTER EQUIPMENT LEASE DATED May 24, 1991

LESSEE: MNVA Railroad, Inc.

LESSOR: Commerce Leasing Corporation, a division
of Commerce Financial Group, Inc.

MASTER EQUIPMENT LEASE NUMBER: 9105241

This Supplement is issued pursuant to the Master Equipment Lease agreement identified above. All of the terms and conditions of the Master Equipment Lease are hereby incorporated herein and made a part thereof as if such terms and conditions were set forth in this Supplement. This Supplement, together with the terms and conditions incorporated herein, constitutes a separately enforceable lease agreement with respect to the Equipment.

SUPPLEMENT AGREEMENT DATE: June 14, 1991

SUPPLEMENT COMMENCEMENT DATE: July 1, 1991

The Lease Term shall begin on the Supplement Commencement Date. To the extent that the Equipment is accepted prior to that date, the Lessee shall pay to the Lessor an interim rental representing a proration on a per diem basis of the initial monthly rental.

EQUIPMENT:

Quantity -----	Manufacturer/Model -----	Description/Serial No -----
	100 Ton Covered Hopper Railcar as more fully described in the attached Equipment Schedule A-4.	

LEASE TERM AND RENTAL PAYMENTS: Sixty (60) consecutive monthly rental payments, each in advance, and equal to \$586.64, plus applicable tax, commencing on the above stated Commencement Date.

LOCATION OF EQUIPMENT: MNVA Railroad, Inc.
262 First Street West
Morton, Minnesota 56270

ADDITIONAL PROVISIONS TO THIS SUPPLEMENT:

Equipment Schedule	Schedule A
Stipulated Loss Values	Schedule B
First Amendment to Master Equipment Lease	Schedule C

SUPPLEMENT NO. 04
TO
MASTER EQUIPMENT LEASE DATED May 24, 1991

Lessee agrees that the lease rate provided in this Supplement has been determined with the understanding that the Lessor will claim all depreciation on the Equipment when filing Lessor's Federal, State and/or Local Income Tax Returns.

ORIGINAL EQUIPMENT COST: \$33,408.00

APPROVED AND AGREED TO by the parties as of the Supplement Agreement Date set forth above.

Commerce Leasing Corporation, a division
of Commerce Financial Group, Inc.
(Lessor)

By *James E. Seneke*

Title President

Date June 17, 1991

MNVA Railroad, Inc.
(Lessee)

By *✓ Dean R. Blunt*

Title *✓ Pres*

Date *✓ June 14, 1991*

Equipment Schedule A-4

Equipment Location: MNVA Railroad, Inc.
262 First Street West
Morton, Minnesota 56270

QTY	MFG/VEND	MODEL	DESCRIPTION	AAR IDENTIFICATION NUMBER(S)
---	-----	-----	-----	-----
01	Pullman/ American		100 Ton Covered Hopper Railcar, 4,750 Cubic Feet, 3,500 Bushel Capacity	MNVA 2221

The following is included with all Equipment listed in this schedule:
all equipment accessories and components, installation parts, additions,
modifications, upgrades, and replacement parts and units related to
the above described equipment.

AGREED TO AND ACCEPTED BY:

BY *Dean R. Blum*
TITLE *Pres.*
DATE June 14, 1991