

LAW OFFICES  
**MILES & STOCKBRIDGE**

A PROFESSIONAL CORPORATION

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CAMBRIDGE, MD  
EASTON, MD  
FREDERICK, MD

JOHN A STALFORT  
410-385-3424

March 11, 1997

via FEDERAL EXPRESS

Surface Transportation Board  
12<sup>th</sup> and Constitution Avenue, N.W.  
Washington, D.C. 20423  
Attention: Mrs. Janice Fort

Re: Our File No.: 258-1683

Mrs. Fort:

Enclosed for recordation as a primary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Lease Agreement dated December 31, 1996 between NcrRail, Inc. (308 12<sup>th</sup> Avenue South, Buffalo, Minnesota 55313) and ConAgra, Inc. (One ConAgra Drive, Omaha, Nebraska 68102)

Also enclosed is a check in the amount of \$24.00 to cover the costs of recording this document.

Once this document has been recorded, please return the same to the undersigned.

Thank you for your prompt attention to this matter. Please call me at (410) 385-3425 if you have any questions.

Sincerely,



Michele E. Sperato  
Assistant to John A. Stalfort

Enclosures

MAR 12 1 51 PM '97

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

RECORDATION NO. 20575  
FILED 1997  
MAR 11 1997 2:00

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C. 20420-0001

3/12/97

Michele E. Sperato  
Assistant to John A. Stalfort  
Miles & Stockbridge  
10 Light Street  
Baltimore, Maryland 21202-1487

Dear Madam:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/12/97 at 2:00PM, and assigned recordation number(s). 20575.

Sincerely yours,



Vernon A. Williams  
Secretary

Enclosure(s)

\$ 24.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

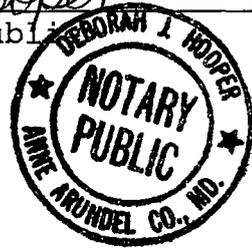


THIS IS TO CERTIFY that the attached Lease Agreement is a true and complete copy of said Lease Agreement.

WITNESS my hand and seal this 11<sup>th</sup> day of March, 1997.

Deborah J. Hooper  
Notary Public

My Commission Expires: 7.27.98



20575  
12/11/96 2.00

**LEASE AGREEMENT**

This **LEASE AGREEMENT** ("Lease") is made and entered as of the 31<sup>st</sup> day of December, 1996, between NORRAIL, INC. (hereinafter called "Lessor"), and CONAGRA, INC., (hereinafter called "Lessee").

**RECITALS**

Lessee desires to lease from Lessor and Lessor desires to lease to Lessee certain railroad cars, hereinafter specifically designated, all upon the rentals, terms and conditions set forth in this Lease.

**AGREEMENT**

It is agreed:

1. **Lease of Cars.** Lessor hereby leases to Lessee and Lessee hereby leases from Lessor one hundred twenty (120) Cars (the term "Cars" and other terms used herein are defined in Section 26 of this Lease). The Cars covered by this Lease are those which shall be delivered to and accepted by Lessee pursuant to Section 2 of this Lease. This Lease shall become effective as to any Car immediately upon its acceptance pursuant to Section 2.

2. **Condition of Cars - Acceptance.** Lessee represents that this Lease shall be fully effective with respect to that number of Cars delivered to and accepted by Lessee pursuant to this Section 2, and that all Cars so accepted by Lessee hereunder are in satisfactory condition for movement in the normal interchange of rail traffic and are further described in Exhibit A. Lessee may have its authorized representative inspect such Cars and accept or reject them based on their compliance with the foregoing sentence. If, within 10 business days of delivery to Lessee, such Cars are not so inspected by Lessee or not rejected by Lessee pursuant to the provisions of this Section 2 they will be deemed accepted within the meaning of this Section 2. Lessee shall issue and deliver to Lessor with respect to all Cars accepted, a Certificate of Inspection and Acceptance in the form of Exhibit B. As to all Cars as to which such certificate is received, the same shall conclusively be deemed to have satisfied the criteria set forth in the first sentence of this Section and be accepted and subject to this Lease and to meet all requirements of this Lease. In all events this Lease shall be fully effective with respect to that number of Cars so accepted by Lessee (even if less than 120 Cars are delivered to and accepted by Lessee), and Lessor shall not incur any liability by reason of Lessee's failure to accept the full number of Cars set forth in Exhibit A. Notwithstanding the commencement date of the term of this Lease with respect to any Car, Lessee agrees that all risk of loss with respect to any Car shall be on Lessee from and after acceptance of such Car by Lessee.

3. **Use and Possession.** Throughout the continuance of this Lease so long as Lessee is not in default hereunder, Lessee shall be entitled to possession of each Car from the date this Lease becomes effective as to such Car (a) on its own property or lines; or (b) upon the lines of any railroad or other person, firm or corporation in the usual interchange of traffic; provided, however, that the Cars shall only be used (i) in conformity with Interchange Rules and all applicable laws and Lessee shall indemnify and save harmless Lessor from any and all liabilities that may arise from any infringement or violation of any such laws or rules by Lessee, its agents, or any other person under the control or direction of Lessee; (ii) in compliance with the terms and provisions of this Lease; (iii) in a careful and prudent manner, solely in the use, service and manner for which they were designed; and (iv) only within the continental limits of the United States of America and incidental use in Canada. In order to avoid recapture of any tax benefit claimed by Lessor with respect to the Cars, including, but not limited to, any deduction allowable under Section 168 and related sections of the Internal Revenue Code of 1986, as amended or any comparable successor law (the "Code"), Lessee shall use and shall cause third parties whose use Lessee can control, to use the Cars predominantly within the United States (but in any event the Cars shall be used in the United States for not less than 185 days during any consecutive 12 month period), in accordance with the Code. If any of the Cars are used outside the continental United States, Lessee shall indemnify and reimburse Lessor for any customs duties, taxes, loss of tax benefits, or other expenses resulting from such use. Lessee shall not use, or permit the use of, the Cars for loading, storage, or hauling any hazardous, toxic, corrosive or radioactive substances.

4. **Term.** This Lease shall commence with delivery and acceptance of the Cars pursuant to Section 2 and continue for a term of Sixty (60) consecutive months (the "Base Lease Term") in advance. The first day of the Base Lease Term (the "Commencement Date") shall be the first day of the month following the month in which the Car designated by the Lessee as the last Car to be delivered and accepted by Lessee is so delivered and accepted by Lessee hereunder pursuant to Section 2. All of the terms and provisions of this Lease shall apply and be in full force and effect with respect to Cars delivered to Lessee and accepted or deemed to be accepted pursuant to Section 2 prior to the Commencement Date.

5. **Rental.** Lessee shall pay to Lessor monthly rental for each Car accepted or deemed to be accepted hereunder at the monthly and daily rates per Car set forth in Exhibit D, commencing on the date on which Lessee accepts such Car or is deemed to have accepted such Car under this Lease and terminating upon the expiration of the Base Lease Term, or, if later, upon return of such Car in compliance with this Lease and acceptance by Lessor in accordance with the provisions of Section 16 of this Lease.

6. **Payment.** Lessee shall make payment of all sums (including rent and any other obligations) due hereunder to Lessor in U.S. Dollars at Lessor's address provided in Section 20 of this Lease, or at such other place as Lessor may direct. The Commencement Date shall be deemed as the "First Rent Payment Date" and payment shall continue to be due on the first day of each month following the First Rent Payment Date and continuing throughout the Base Lease Term. All rent accruing hereunder on or prior to the First Rent Payment Date shall be paid monthly in advance on or before the 1st day of each month for which such rental relates. All rents and other amounts payable hereunder shall be paid without notice or demand and without abatement, reduction, deduction, counterclaim, recoupment, defense or set off of any amount whatsoever. The operation and use of the Cars shall be at the risk of Lessee and not of Lessor and the obligation of Lessee to pay rent or any other sums due and payable hereunder shall be unconditional.

7. **Title.** Lessee shall not by reason of this Lease or any action taken hereunder acquire or have any right or title in the Cars except the rights herein expressly granted to it as Lessee.

8. **Repair and Expenses.** Lessor, not being the manufacturer of the Cars, nor manufacturer's agent, **MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, QUALITY, DESIGN, CONDITION, CAPACITY, SUITABILITY, MERCHANTABILITY OR PERFORMANCE OF THE CARS OR OF THE MATERIAL OR WORKMANSHIP THEREOF, IT BEING AGREED THAT EACH CAR, ONCE ACCEPTED BY LESSEE PURSUANT TO SECTION 2 OF THIS LEASE, IS LEASED "AS IS" AND THAT ALL SUCH RISKS AS BETWEEN LESSOR AND LESSEE, ARE TO BE BORNE BY LESSEE AT ITS SOLE RISK AND EXPENSE.** Upon acceptance of the Cars by Lessee pursuant to Section 2 of this Lease, Lessor hereby assigns to Lessee any right it may have to bring and maintain against any repairer or manufacturer of such Cars, or any agent thereof, such claims or actions at law, and the right to pursue any remedies, as Lessor is entitled to pursue against said repairer or manufacturer for the causes set forth in this Section 8 to the extent the same are assignable without breaching any agreement Lessor has with any such repairer. Lessor shall have no obligation to service any of the Cars. Lessee accordingly agrees not to assert any claim whatsoever against Lessor based on any Car. Lessee agrees, at its own cost and expense (subject to the rights expressly reserved to Lessee herein) and with respect to all matters accruing after acceptance of any Car by Lessee pursuant to Section 2 of this Lease and thereafter accruing during the period ending with the term of this Lease or return of such Car in compliance with this Lease and acceptance by Lessor in accordance with the provisions of Section 16 of this Lease, whichever is later: (a) to pay all charges and expenses in connection with the operation of such Car; and (b) to comply with all governmental laws, ordinances, regulations, requirements and rules with respect to the use, maintenance and operation of such Car. Lessee will, at its own expense, keep and maintain the Cars in good repair, condition and working order, acceptable for unrestricted interchange service in

conformity with the Interchange Rules, commercially suitable for grain or grain byproducts service or any other industry standard covered hopper service, and operable in conformity with the requirements of any other governmental or nongovernmental agency having jurisdiction over the operation, safe condition, maintenance or use of the Cars and furnish all parts, replacements, mechanisms, devices and servicing required so that the condition thereof will at all times be maintained and preserved, to the standards required under this Section 8, reasonable wear and tear excepted. All such repairs, parts, mechanisms, devices and replacements shall immediately, without further act, become the property of Lessor and part of the Cars.

Lessee will not make or authorize any improvement, change, addition or alteration to the Cars (i) if such improvement, change, addition or alteration will impair the originally intended function or use of the Cars or impair the value of the Cars as it existed immediately prior to such improvement, change, addition or alteration; or (ii) if any parts installed in or attached to or otherwise becoming a part of the Cars as a result of any such improvement, change, addition or alteration shall not be readily removable without damage to the Cars. Any part which is added to the Cars without violating the provisions of the immediately preceding sentence and which is not a replacement or substitution for any property which was a part of the Cars, shall remain the property of Lessee and may be removed by Lessee at any time prior to the expiration or earlier termination of the term of this Lease. All such parts shall be and remain free and clear of any liens. Any such part which is not so removed prior to the expiration or earlier termination of this Lease shall, without further act, become the property of Lessor.

**9. Substitution of Cars.** Lessor may, with Lessee's consent, within six months of a Casualty Occurrence (as hereinafter defined), replace any Casualty Cars with Replacement Cars and such Replacement Cars shall be deemed to be subject to all terms and conditions of this Lease as if the same had been originally delivered to Lessee at the time and in the place of the Cars for which they are substituted. The parties shall execute amendments to this Lease and such other or further documents as may reasonably be required by either party hereto to evidence the withdrawal from and termination of this Lease with respect to Casualty Cars, or to include any Replacement Cars within the terms and provisions of this Lease and of any other document under which Lessor has assigned its rights hereunder, as permitted in Section 18 of this Lease, provided that all such amendments or documents will reflect all those rights and obligations of the parties with respect to the Cars, as provided in this Lease.

**10. No Abatement of Rent.** This is a triple net lease whereby Lessee shall be responsible for all costs related to the use, possession or operation of the equipment including, but not limited to, any and all taxes, insurance, maintenance, etc. There shall be

no rental abatement for any Car whatsoever, except as provided in Section 15 hereof with respect to a Casualty Car.

11. **Taxes and Insurance.** Lessee shall pay, and shall indemnify and hold Lessor harmless from and against, on an after-tax basis, all fees, taxes (including without limitation all sale, use and gross receipts taxes, except income taxes and gross receipts taxes which are comparable to an income tax), withholdings, assessments and other governmental charges, however designated, together with any penalties, fines or interest, if any, thereon (collectively, the "Impositions"), accrued after any Car has been accepted pursuant to Section 2 of this Lease and thereafter during the term of this Lease and until the Cars have been accepted by Lessor upon return by Lessee, which are at any time levied or imposed against Lessor, Lessee, this Lease, the Cars or any part thereof by any Federal, state, local or foreign government or taxing authority upon, with respect to, as a result of or measured by (i) the Cars (or any part thereof), or this Lease or the interest of the Lessor therein; or (ii) the purchase, ownership, delivery, leasing, possession, maintenance, use, operation, return, sale or other disposition of the Cars or any part thereof by Lessee; or (iii) the rentals, receipts or earnings payable under this Lease by Lessee or otherwise arising from the Cars or any part thereof. Notwithstanding the foregoing, Lessee shall not be responsible for or required to pay any income taxes, franchise taxes, privilege taxes, value added taxes, or any similar taxes (including gross receipts taxes which are comparable to an income tax), or any taxes upon sale of the Cars by Lessor (excluding any treatment by any tax authority of this Lease as a sale for tax purposes) in each case which are measured by reference to Lessor's income, capital, net worth, retained earnings or investments, in general, or any fines, penalties or interest thereon and shall not be responsible for the filing of any tax returns relative to any such taxes (and the same shall not be deemed to be Impositions for the purposes of this Lease). Lessor (a) shall pay, and promptly upon receipt of Lessor's invoice therefor Lessee shall reimburse Lessor for paying, any Impositions required by law to be paid by Lessor, and (b) in case any report or return is required to be filed with respect to any such Impositions, Lessor will make such report or return to show Lessor's ownership of the Cars, and Lessee will not be responsible for any taxes, fines, interest, or penalties of any nature resulting from Lessor's failure to so act if (a) Lessee has given Lessor notice of the need to make any such report, return or payment together with all facts necessary to form the basis thereof, or (b) Lessor otherwise has received such notice. Lessor and Lessee may agree in writing that Lessee will pay any Impositions directly or file any such reports or returns. If Lessee indemnifies Lessor for any Imposition pursuant to the foregoing provisions of this Section 11 and thereafter Lessor receives from the appropriate taxing authority a refund of such Imposition, Lessor shall promptly pay to Lessee the amount so received, not to exceed the amount paid by Lessee as an indemnity

hereunder. Lessee's and Lessor's obligations under this Section 11 shall survive the expiration or termination of this Lease.

Lessee will, at all times prior to the return of the Cars to, and acceptance by, Lessor, at its expense cause to be carried and maintained with companies of reputable standing public liability insurance with respect to third party personal injury and property damage, against such risks and in such amounts as is consistent with prudent industry practice, as to which Lessor and any of Lessor's assignees will be named additional insureds. Lessee shall maintain physical damage insurance covering the Cars in an amount not less than the Casualty Value (as hereinafter defined) thereof with companies of reputable standing. Lessee will provide to Lessor and to each assignee of Lessor, upon request, a statement of the insurance maintained pursuant to the insurance provisions of this Lease.

All policies of insurance carried in accordance with this Section 11 shall (i) provide that, if any such insurance is canceled for any reason whatsoever, Lessor shall receive 30 days' prior notice of such cancellation; (ii) provide that in respect of the interest of Lessor in such policies, the insurance shall not be invalidated by any action or inaction of Lessee or any additional insured (other than such additional insured, as to such additional insured) and shall insure Lessor's interests as it appears, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Lessee or any additional insured (other than such additional insured, as to such additional insured); (iii) provide that Lessor shall not have any obligation or liability for premiums, commissions, assessments or calls or advances in connection with such insurance; (iv) provide that the insurers shall waive (A) any rights of set-off, counterclaim or any other deduction, whether by attachment or otherwise, which they may have against Lessor, and (B) any rights of subrogation against Lessor; (v) be primary without right of contribution from any other insurance which may be carried by Lessor with respect to its interests as such in the Cars; and (vi) expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured.

Lessee shall cause the property insurance on the Cars to provide that the proceeds up to the amount of the Casualty Value, for any loss or damage to any Car, if any, shall be payable to Lessor. Lessee shall, with respect to any renewal policy or policies, furnish certificates or binders evidencing such renewal as soon as practicable, but in no event later than thirty (30) days after such renewal is effected or the expiration date of the original policy or policies.

**12. Lessor's Title and Right of Inspection.** Title to the Cars shall at all times remain with Lessor. Lessee will take no act, and will not permit any sublessee to take any act, which

causes any impairment of Lessor's title in the Cars and will defend, at its own cost and expense, Lessor's title in the Cars from and against all claims, liens and legal processes which may be asserted against the Cars arising through Lessee or its agents or assigns, except for those arising by, through, against or under Lessor or its predecessors in title. Lessee's right to sublease or remark the Cars pursuant to Section 18 of this Lease will not be considered to impair Lessor's title to the Cars, so long as any such sublease is subject hereto.

Lessor shall have the right, from time to time during Lessee's normal business hours, upon reasonable notice to Lessee, and solely at Lessor's own risk and expense (a) to enter upon Lessee's premises, or upon the premises of any sublessee in possession of the Cars pursuant to Section 18 of this Lease, for the purposes of confirming the existence, condition, and proper maintenance of the Cars, and (b) during any period of storage of the Cars on Lessee's premises or the premises of any such sublessee, to inspect and show the Cars to others, in all events subject to any applicable government laws, or government or industry regulation or rules concerning railroad security and safety. Lessee shall, upon request of Lessor, furnish to Lessor a certified inventory of all Cars then subject to this Lease. Lessee shall not be liable for any personal injury, property damage or wrongful death arising as a result of any inspection of the Cars by Lessor or its agents during or after the term of this Lease, and Lessor shall be fully liable for its acts and the acts of its agents in connection with any such inspection, unless caused by Lessee's gross negligence or willful misconduct.

13. **Indemnity.** Lessee agrees that Lessor shall not be liable to Lessee for, and Lessee shall indemnify and hold Lessor harmless from and against, any liability, loss, damage, expense (including reasonable attorneys' fees), causes of action, suits, claims or judgments arising from or caused directly or indirectly by: (a) Lessee's failure to timely perform any of its obligations under this Lease; or (b) injury to persons or damage to property resulting from or based upon actual or alleged use, possession, operation, delivery or transportation of any or all of the Cars or its or their location or locations or condition, during the Lease term; or (c) inadequacy of the Cars or any part thereof, for any purpose or the use or maintenance thereof or any repairs, servicing or adjustments thereto or any delay in providing or failure to provide any thereof or any interruption or loss of service or use thereof or any loss of business; and shall, at its own cost and expense, defend any and all suits which may be brought against Lessor, either alone or in conjunction with others upon any such liability or claim or claims and shall satisfy, pay and discharge any and all judgments and fines that may be recovered against Lessor in any such action or actions, provided, however, that Lessor shall give Lessee written notice (as soon as it is reasonably practicable after Lessor has notice thereof) of any event, claim, or action as to which Lessee's indemnity obligations

run, and shall cooperate reasonably with Lessee in any defense which Lessee may make with respect to any such event, claim, or action. All indemnities contained in this Lease shall survive the termination and or cancellation of this Lease to the extent that the indemnity involves a matter which occurs after Lessee accepts the Cars pursuant to Section 2 of this Lease and thereafter during the term of this Lease and until the Cars are returned to and accepted by Lessor, or until the Cars are repossessed by Lessor following the occurrence of an Event of Default (as hereinafter defined). Notwithstanding the foregoing, Lessee does not hereby agree to indemnify Lessor for matters which are proximately caused by breach of Lessor's obligations under this Lease, or after the Cars have been returned to and accepted by Lessor pursuant to Section 16 of this Lease.

14. **Lettering.** The Cars shall be stenciled, at Lessee's sole expense, with the reporting marks indicated on Exhibit A hereto and thereafter Lessee will cause each Car to be kept stenciled with such reporting marks at Lessee's expense in accordance with Interchange Rules. If Lessor desires that the Cars be stenciled with a legend indicating that the Cars have been leased and, if applicable, are subject to a security interest recorded with the Surface Transportation Board, Lessee shall, at its sole expense, so stencil the Cars at or before the time of acceptance pursuant to Section 2 of this Lease. Thereafter, Lessee, at its expense, will maintain such legend, in letters not less than one inch in height. If Lessor desires that changes be made to such reporting marks or legend, Lessee will, upon receipt of written notice from Lessor, cause such changes to be made at the earliest practicable time, but at Lessor's expense. Lessee will, at the earliest possible opportunity and at its expense, replace any such marks or legends which may be removed, defaced, or destroyed by causes other than the direction of Lessor.

15. **Loss, Theft, or Destruction of Cars.** In the event any Car is lost, stolen, destroyed or damaged beyond economic repair, or taken by government action, Lessee shall, within 10 business days after Lessee is aware or receives notice of such occurrence (each, a "Casualty Occurrence"), fully advise Lessor of such Casualty Occurrence. Lessee shall, within 45 days after a Casualty Occurrence, promptly make payment to Lessor in the same amount as is prescribed in the schedule attached hereto as Exhibit C and made a part of this Lease for the loss of such Car (the "Casualty Value"), plus rent on such Car to the date of such payment. This Lease shall terminate with respect to a Casualty Car on the date Lessor shall receive such payment with respect to such Casualty Car, and thereafter Lessee shall have no further liability to Lessor hereunder with respect to such Casualty Car, except for those provisions of this Lease which expressly survive the terms of this Lease. Lessor shall, upon request of Lessee, deliver to Lessee a bill of sale (without warranty) for such Car, provided that if Lessee receives any proceeds from disposal of a Car in

excess of the amount set forth on Exhibit C therefor, it shall pay such excess to Lessor.

16. **Return of Cars.** Upon the expiration or upon the termination or cancellation of this Lease with respect to any Car (other than pursuant to Section 15 of this Lease), Lessee shall at its sole cost and expense forthwith surrender possession of such Car to Lessor by delivering same to Lessor at such location or locations within the continental United States as may be mutually agreed by Lessor and Lessee. Such location(s) shall be designated not less than 45 days prior to the expiration of this Lease or any extension thereof, or concurrently with termination or cancellation of the Lease for any reason, other than its expiration or the destruction and casualty loss of a Car. In the event Lessor and Lessee cannot mutually agree upon such location(s) within the time specified in this Section 16, Lessee shall deliver such returned Car to such location or locations within the continental United States and within 1000 miles of Chicago, Illinois as Lessor shall designate. When delivered to any location(s) determined pursuant to this Section 16 (the "Redelivery Point"), (a) the Cars shall be in the condition required to comply with the provisions of Section 8 of this Lease, and shall be free and clear of all accumulations or deposits from commodities transported in or on the Cars, and (b) Lessor shall have 30 business days from the later of (i) the date of delivery of any returned Car, and (ii) the expiration of this Lease to inspect such Car in order to determine whether it is in such condition. If Lessor does not reject such Car for non-compliance with the provisions of Section 8 of this Lease or fails to inspect such Car within the time provided therefor in this Section 16, such Car will be deemed accepted by Lessor. If any Car is so rejected by Lessor, Lessee shall be liable for and shall pay rental to Lessor with respect to such Car from the date of rejection until such Car is accepted by Lessor at 100% of the rate being paid immediately prior to termination or cancellation or expiration, and Lessee shall in addition make all payments and keep all obligations and undertakings required of Lessee under any and all provisions of this Lease with respect to such Car from the date of rejection until such Car is accepted by Lessor as though such termination or cancellation or expiration had not occurred. Lessee shall, at its cost, provide storage of each Car returned to and accepted by Lessor in accordance with the foregoing provisions of this Section 16 (such storage to occur at the Redelivery Point unless another location is mutually agreed to by Lessor and Lessee) until 90 days after the date such Car is returned to and accepted by Lessor. During any period of storage of the Cars at Lessee's expense, Lessee shall have all risk of loss with respect thereto. Lessee shall not be liable for damages incurred as a result of Lessor's or its agents' inspection of the Cars during any such storage period. Lessee shall bear the costs to remark the Car to its original Car initial and number at termination of this Lease.

17. **Default.** An Event of Default shall occur if: (a) Lessee fails to pay when due any installment of rent and such failure

continues for a period of 5 days after Lessee has received notice in writing from Lessor asserting the existence of such failure; (b) Lessee shall fail to perform or observe any covenant, condition or agreement to be performed or observed by it hereunder for 20 days after Lessee has received notice in writing from Lessor asserting the existence of such failure; (c) Lessee ceases doing business as a going concern, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts as they become due, files a voluntary petition in bankruptcy, is adjudicated a bankrupt or an insolvent, files a petition seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar arrangement under any present or future statute, law or regulation or files an answer admitting the material allegations of a petition filed against it in any such proceeding, consents to or acquiesces in the appointment of a trustee, receiver, or liquidator of it or of all or any substantial part of its assets or properties, or if it or its shareholders shall take any action looking to its dissolution or liquidation; (d) within 30 days after the commencement of any proceedings against Lessee seeking reorganization, arrangement, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed, or if within 30 days after the appointment without Lessee's consent or acquiescence of any trustee, receiver or liquidator of it or of all or any substantial part of its assets and properties, such appointment shall not be vacated; (e) Lessee attempts to sell, transfer, encumber, or sublet the Cars or any thereof (except as expressly permitted by Section 18 of this Lease); or (f) any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee in or in connection with this Lease proves to have been false in any material respect when made or furnished.

Upon the occurrence of an Event of Default, Lessor shall have all the rights and remedies provided by applicable law and by this Lease. Notwithstanding that this Lease is a true lease and title to the Cars is at all time in Lessor, Lessor may nevertheless at its option choose those rights and remedies of a secured party under the Uniform Commercial Code. In addition, Lessor, at its option, may take any one or more of the following actions: (a) cancel this Lease by written notice to such effect, and retake the Cars and thereafter recover as liquidated damages (and not as a penalty), it being acknowledged by the parties that actual damages are difficult or impossible to estimate, any and all costs and expenses of termination, retaking and reselling or re-leasing (including, without limitation, reasonable attorneys' fees) in addition to the present value (using a discount rate of three percent (3%) per annum) of all rental for the unexpired balance of the Lease term unpaid as of said date of termination, provided that to the extent that Lessor relets the Cars and the proceeds of such reletting are not applied to expenses as hereinafter expressly permitted under this Lease, Lessor shall refund the amount of remaining rent so paid by Lessee to the extent and when the same is

received by Lessor during the remaining term of this Lease as a result of any reletting of the Cars, provided that in any event after retaking possession of the Cars Lessor may sell the Cars at public or private sale, with or without notice, advertisement, or publication, as Lessor may determine, or otherwise dispose of, hold, use, operate, or lease to others the Cars as Lessor in its sole discretion may determine, all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to any such action or for any proceeds with respect thereto; or (b) proceed by appropriate court action or actions or other proceedings either at law or equity to enforce performance by Lessee of any and all covenants of this Lease and to recover damages for the breach thereof; or (c) Lessor and/or its agents may, with reasonable notice or legal process, enter into any premises of or under control or jurisdiction of Lessee or any agent of Lessee where the Cars may be or by Lessor is believed to be, and repossess all or any thereof and using all force necessary or permitted by applicable law so to do, Lessee hereby expressly waiving all further rights to possession of the Cars and claims for injuries suffered through or loss caused by such repossession or demand that Lessee deliver the Cars forthwith to Lessor at Lessee's expense at such place as Lessor may designate. In no event shall Lessee upon demand by Lessor for payment hereunder or otherwise be obligated to pay any amount in excess of that permitted by law. The waiver by Lessor of any breach of any obligation of Lessee shall not be deemed a waiver of any future breach of the same or any other obligation. No remedy of Lessor hereunder shall be exclusive of any remedy herein or by law provided, but each shall be cumulative and in addition to every other remedy.

The proceeds of any reletting shall first be applied to the expenses (including reasonable attorneys' fees) of retaking and reletting of the Cars and delivery to the new lessee and then to the payment of rent due under this Lease. Lessee shall pay any deficiency remaining due after so applying the proceeds as the same accrue. The election of Lessor to relet the Cars and the acceptance of a new lessee shall not operate to release Lessee from liability for any existing or future default in any other covenant or promise herein contained.

The obligation to pay any deficiency or any sum or sums due and unpaid or any damages suffered by reason of Lessee's default hereunder shall survive the termination of this Lease and the retaking of the Cars.

Without limiting Lessor's rights hereunder upon an Event of Default, in the event that the Lessee shall fail duly and promptly to perform any of its obligations under this Lease, Lessor may, at its option, perform the same for the account of Lessee without thereby waiving such default, and any amount paid or expense (including reasonable attorneys' fees), penalty or other liability incurred by Lessor in such performance, together with interest at the rate of 1.5% per month thereon (but in no event greater than

the highest rate permitted by relevant law) until paid by Lessee to Lessor, shall be payable by Lessee upon demand as additional rent for the Cars.

18. **Sublease and Assignment.** Lessee shall not assign this Lease or otherwise lease or dispose of the Cars, except that Lessee may sublease or remark (subject to the provisions of Section 14 of this Lease as to notice of remarking) the Cars provided that the following conditions are satisfied:

(i) Lessee will not sublease the Cars beyond the term of this Lease, including any extended term of this Lease.

(ii) Lessee will promptly give Lessor written notice of Lessee's intent to sublease and provide Lessor with a copy of such sublease;

(iii) No such sublease shall in any event impair, or conflict with the rights of Lessor hereunder, including without limitation the rights of Lessor upon the occurrence of an Event of Default; and

(iv) Such sublease shall require that the Cars will be used in accordance with Section 3 of this Lease.

The making of a sublease by Lessee or an assignment by Lessor shall not serve to relieve Lessee or Lessor of any liability or undertaking hereunder.

19. **Closing Certificate of Lessee.** Upon execution and delivery of this Lease, Lessee will deliver to Lessor a certificate executed by Lessee's corporate secretary or assistant secretary in a form and substance reasonably satisfactory to counsel for Lessor or its assignee certifying as to the incumbency of the officers of Lessee executing this Lease and as to the due corporate authorization for the execution and delivery of this Lease by Lessee.

20. **Notice.** Any notice required or permitted to be given pursuant to the terms of this Lease shall be properly given when made in writing, deposited in the United States mail, registered or certified, postage prepaid, addressed to:

Lessor at:           NorRail, Inc.  
                          308 12th Avenue South  
                          Buffalo, Minnesota 55313  
                          Attn: \_\_\_\_\_

Lessee at: Conagra, Inc.  
One ConAgra Drive  
Omaha, Nebraska 68102  
Attn: \_\_\_\_\_

or at such address as either party may from time to time designate by such notice in writing to the other.

**21. Warranties - Representations and Agreements. (a) Lessee Representations and Agreements. Lessee represents that:**

(i) Lessee is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation, and has taken all corporate action necessary validly to enter into this Lease and carry out its obligations hereunder;

(ii) this Lease has been duly executed on behalf of Lessee and constitutes the legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity;

(iii) to the knowledge of Lessee, the Cars which are then subject to this Lease are held by Lessee under and subject to the provisions of this Lease prior to any lien, charge or encumbrance in favor of anyone claiming against the Cars by, through or under Lessee; and

(iv) no governmental, administrative or judicial authorization, permission, consent or approval is necessary on the part of Lessee in connection with this Lease or any action contemplated on its part thereunder.

Lessee shall notify Lessor in writing upon the occurrence of any event or the existence of any facts or circumstances which render such matters not true and correct during the term of this Lease. Lessee warrants and covenants that it will not take any action, or permit any sublessee to take any action that will cause any Car to cease to be eligible for depreciation deductions determined by using the method specified in Section 168(b)(i) of the Code.

**(b) Lessor Representations and Agreements. As of the date of this Lease, Lessor warrants that:**

(i) Lessor is a corporation duly organized and validly existing in good standing under the laws of its state of incorporation, and has taken all corporate

action necessary validly to enter into this Lease and carry out its obligations hereunder;

(ii) this Lease has been duly executed on behalf of Lessor and constitutes the legal, valid and binding obligation of Lessor, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity;

(iii) Lessor requires no governmental, administrative or judicial authorization, permission, consent, or approval in order to enter into this Lease; and

(iv) there are no actual or potential liens, encumbrances, or impediments of any nature whatsoever on Lessor's title to the Cars or its rights to lease the Cars to Lessee which would interfere with Lessee's possession, use or enjoyment of the Cars pursuant to this Lease.

Lessor warrants that it will not, by act or omission, take any steps which result in any third party, including any assignee of Lessor, depriving, or attempting to deprive, Lessee of that use and enjoyment of the Cars to which Lessee is entitled so long as it is not in default under this Lease.

**22. Governing Law - Writing.** The terms of this Lease and all rights and obligations hereunder shall be governed by the laws (without regard for its choice of law provisions) of the State of Maryland. The terms of this Lease and the rights and obligations of the parties hereto may be changed or terminated only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

**23. Counterparts.** This Lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which may be evidenced by any such signed counterpart.

**24. Severability - Waiver.** If any term or provision of this Lease or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. Failure of Lessor to exercise any rights hereunder shall not constitute a waiver of any such right upon the

continuation or recurrence of the situation or contingency giving rise to such right.

25. **Past Due Payments.** Any nonpayment of rentals within ten (10) days from due date or other sums due hereunder, whether during the period within which a default may be cured or for a longer period, and whether or not deemed a default or violation of this Lease, shall result in the obligation on the part of the Lessee to pay also an amount of interest equal to the prime rate of interest established and declared by The First National Bank of Maryland plus two percent (2%) per annum (or if such rate may not lawfully be charged, then the highest rate which may be lawfully charged) of such overdue sum for the period of time such sum is overdue and unpaid. Notwithstanding the foregoing provisions of this Section 25, Lessee shall not be obligated to pay such interest with respect to any nonpayment of rentals or other sums due hereunder occurring once in any consecutive 12-month period if such nonpayment is made within 15 days from the due date.

26. **Definitions.** For all purposes of this Lease the following terms shall have the following meaning:

(a) "Cars" -- railroad cars described in Exhibit A, and bearing the reporting marks listed thereon, attached hereto and made a part of this Lease or such other reporting marks as may be substituted therefor pursuant to the provisions of Section 19 of this Lease.

(b) "Casualty Cars" -- Cars which are lost, stolen, destroyed or damaged beyond economical repair as determined pursuant to the Interchange Rules, or taken by government action.

(c) "Casualty Occurrence" -- any Car is lost, stolen, destroyed or damaged beyond economic repair or taken by government action.

(d) "Interchange Rules" -- all codes, rules, regulations, laws and orders governing hire, use, condition, repair, destruction and all other matters pertaining to the interchange of freight cars reasonably interpreted as being applicable to the Cars, as adopted and in effect from time to time by the Association of American Railroads and any other organization, association, agency or governmental authority, including the Surface Transportation Board and the United States Department of Transportation, which may from time to time be responsible for or have authority to impose such codes, rules, interpretations, laws or orders.

(e) "Repair Work" -- all repairs, maintenance, modifications, additions or replacements required to keep and maintain the Cars in good working order and repair in accordance with and on the effective date of the requirements of all Interchange Rules.

(f) "Replacement Cars" -- Cars of the same description and specifications to that set forth in Exhibit A which are substituted for Casualty Cars.

27. **Benefit.** This Lease shall bind and inure to the benefit of the parties and their successors and assigns (including, in the case of Lessor, any secured party, pledgee or mortgagee of Lessor), except that Lessee may not assign this Lease or, except as expressly provided in Section 18 hereof, sublet the Cars. Lessee will not be responsible to the recipient of any rights of Lessor thus transferred for any payments or other acts made or taken by Lessee in good faith prior to receiving actual notice of such transfer. If Lessor shall give written notice to Lessee stating the identity and post office address of any assignee entitled to receive future rentals and any sums payable by Lessee hereunder, Lessee shall thereafter make such payments to the designated assignee. References herein to Lessor shall be deemed to refer to Lessor and its successors and assigns. Without limiting the generality of the foregoing, the covenants and indemnities of the Lessee contained in Sections 11 and 13 of this Lease shall apply to and inure to the benefit of any assignee of Lessor, and if such assignee is a trustee or secured party under an indenture under which evidence of indebtedness has been issued in connection with the financing of the Cars, then also to the benefit of any holder of such evidence of indebtedness. If Lessor assigns its interest under this Lease and in the Cars to one or more banks, insurance companies or other financial institutions, whether as security for one or more loans or in whole, Lessee shall, in the event of any such assignment and upon notice thereof from Lessor: (i) recognize such assignment; (ii) make all payments of rent and other amounts due under this Lease as so assigned directly to the assignee identified in such notice or to its designee; (iii) accept the directions or demands of such assignee in place of those of Lessor; (iv) surrender the Cars to such assignee upon termination of this Lease; (v) make payments of Rent and all other obligations of Lessee hereunder without reduction, abatement, defense, set-off, counterclaim or recoupment for any reason whatsoever; and (vi) except as otherwise provided herein, not terminate this Lease; provided, however, nothing contained in this Section 27 shall relieve Lessor from its obligations to Lessee hereunder, nor shall any assignee of this Lease be relieved of the obligation to release its interests in any Car upon a Casualty Occurrence and the payment by Lessee of the Casualty Value and all other payments due with respect to such Car. If Lessor so requests, Lessee will execute a letter agreement confirming its agreement as to the foregoing in form and substance reasonably satisfactory to the Lessor and Lessee.

28. **Recording.** Upon request by Lessor, Lessee shall join in the execution of a memorandum or short form of this Lease for use in recordation under 49 U.S.C.A. Section 11303 or such recordation as Lessor reasonably deems appropriate. Said memorandum or short form of lease may describe the parties, the Cars being leased and

the term of this Lease, including any options to extend, and shall incorporate the Lease by reference.

**29. Further Assurances.** Lessee shall execute and deliver to Lessor, upon Lessor's request, preparation and delivery to Lessee, such instruments and assurances as Lessor reasonably deems necessary or advisable for the confirmation or perfection of this Lease and Lessor's rights hereunder and to enable Lessor to fulfill all of its tax filing obligations; provided, however, that Lessee will have no obligation to execute or deliver any instrument or assurance which alters the rights or obligations of the parties under this Lease.

**30. Lease Irrevocability.** This Lease is irrevocable for the full term thereof and for the aggregate rentals herein reserved.

**31. Miscellaneous.** This Lease and the Exhibits hereto constitute the entire agreement between Lessor and Lessee with respect to the Cars and supersede all prior correspondence between the parties. No covenant, condition or other term or provision of this Lease shall be deemed waived, amended, or modified by either party unless such waiver, amendment, or modification is in writing and signed by each of the parties hereto. Section headings are for convenience only and shall not be construed as part of this Lease. Time is of the essence in the performance of Lessee's obligations under this Lease. This Lease shall be fully effective as to the number of Cars so delivered to and accepted by Lessee as required herein, and Lessee shall have no defense or claim against Lessor hereunder as a result thereof.

**32. Financial Statements.** Lessee covenants and agrees as follows:

(a) As long as the capital stock of Lessee is publicly traded, Lessee will furnish to Lessor as soon as available, each Annual Report on Form 10-K (or any successor form), and each Quarterly Report on Form 10-Q (or any successor form); and

(b) If the capital stock of Lessee is not publicly traded, Lessee will furnish Lessor (i) within one hundred twenty (120) days after the end of each fiscal year of Lessee, a balance sheet of Lessee as at the end of such year, and the related statement of income and statement of changes in financial position of Lessee for such fiscal year, prepared in accordance with generally accepted accounting principles, all in reasonable detail and certified by independent certified public accountants of recognized standing selected by Lessee; (ii) within sixty (60) days after the end of each quarter of Lessee's fiscal year, a balance sheet of Lessee as at the end of such quarter, and the related statement of income and statement of changes in financial position of Lessee for such quarter, prepared in accordance with generally accepted accounting principles; and (iii) upon demand, such other information as Lessor may reasonably request.

33. **Reports.** On or before March 15, 1997, and on each March 15 thereafter, Lessee will furnish to Lessor an accurate statement, as of the preceding December 31, showing the amount, description and reporting marks of the Cars then leased hereunder, the amount, description and reporting marks of all Cars that may have suffered a Casualty Occurrence during the twelve (12) months ending on such December 31, and such other information regarding the condition or repair of the Cars as Lessor may reasonably request.

34. **Waiver of Jury Trial.** Lessor and Lessee hereby jointly waive trial by jury in any action or proceeding to which they may be parties, arising out of or in any way pertaining to this Lease. It is agreed and understood that this waiver constitutes a waiver of trial by jury of all claims against all parties to such actions or proceedings, including claims against parties who are not parties to this Lease. This waiver is knowingly, willingly and voluntarily made by Lessee, and Lessee hereby represents that no representations of fact or opinion have been made by any individual to induce this waiver of trial by jury or to in any way modify or nullify its effect. Lessee further represents that it has been represented in the signing of this Lease and in the making of this waiver by independent legal counsel selected of its own free will, and that it has had the opportunity to discuss this waiver with counsel.

35. **Early Termination Option.** (a) Provided this Lease has not been earlier terminated and no Event of Default or event which with the giving of notice or lapse of time or both would constitute an Event of Default has occurred and is continuing, Lessee may, by not less than 120 days' written notice to Lessor prior to the dates specified in Exhibit E, elect to terminate this Lease and purchase all, but not less than all, of the Cars subject to this Lease, on the date and for the price specified in Exhibit E. Any purchase subject to this provision shall be "as is, where is" and with all faults. Upon payment of the purchase price as set forth in Exhibit E, and any rent or other amount remaining due pursuant to the terms of this Lease, Lessor will convey the Cars to Lessee by delivery of a Bill of Sale without recourse or warranty of title except as to the absence of liens, claims, security interests, and encumbrances arising from, through, or under Lessor.

(b) In consideration for the grant of the foregoing early termination option, Lessee agrees to pay to Lessor, on a monthly basis, the additional monthly payment amount as set forth on Exhibit E. If Lessee elects to terminate this Lease and purchase the Cars upon the twelve month anniversary of the Commencement Date, then the additional monthly payment amounts paid by Lessee to Lessor pursuant to this Section 35(b) during the initial twelve months of the Base Lease Term shall be retained by Lessor as additional consideration for Lessee's purchase of the Cars; provided, however, that if Lessee does not elect to terminate this Lease and purchase the Cars upon the twelve month anniversary

of the Commencement Date, then the additional monthly payment amounts paid by Lessee to Lessor during the initial twelve months of the Base Lease Term pursuant to this Section 35(b) shall be refunded by Lessor to Lessee, with interest from the date of receipt until the date of refund calculated at then current market rates for investments in short-term money market funds. If Lessee elects to terminate this Lease and purchase the Cars upon the twenty-four month anniversary of the Commencement Date, then the additional monthly payment amounts paid by Lessee to Lessor pursuant to this Section 35(b) during the second twelve months of the Base Lease Term shall be retained by Lessor as additional consideration for Lessee's purchase of the Cars; provided, however, that if Lessee does not elect to terminate this Lease and purchase the Cars upon the twenty-four month anniversary of the Commencement Date, then the additional monthly payment amounts paid by Lessee to Lessor during the second twelve months of the Base Lease Term pursuant to this Section 35(b) shall be refunded by Lessor to Lessee, with interest from the date of receipt until the date of refund calculated at then current market rates for investments in short-term money market funds.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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

ATTEST:

NORRAIL, INC., Lessor

By: L.L. Struble

(SEAL)

ATTEST:

CONAGRA, INC., Lessee

[Handwritten Signature]

By: D.J. Stone

(SEAL)

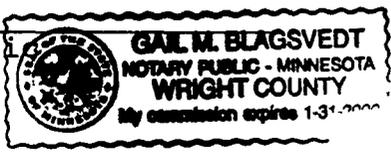
VP

THIS IS COUNTERPART NUMBER 2 OF 3 SERIALY NUMBERED, MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS LEASE CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST, AND NO RIGHT, TITLE OR INTEREST IN THIS LEASE, MAY BE EFFECTIVE BY THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NUMBER ONE.

STATE OF MN, County Wright OF Wright, TO WIT:

I HEREBY CERTIFY, that on this 3<sup>rd</sup> day of December, 1996, before me, the undersigned, a Notary Public of the State of MN, personally appeared L. Lee Struble, the V.P. Marketing of NorRail, Inc., a Minnesota corporation, known (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized Vice President of said Bank by signing the name of the Bank by himself as Vice President <sup>Corporation</sup>.  
AS WITNESS my hand and notarial seal.

Gail M. Blagsvedt  
Notary Public



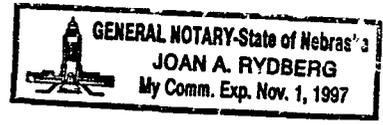
My Commission Expires: 1/31/2000

STATE OF NE, County Douglas OF Douglas, TO WIT:

I HEREBY CERTIFY, that on this 20 day of December, 1996, before me, the undersigned, a Notary Public of the State of NE, personally appeared D. J. Stone, who acknowledged himself to be a VP of Conagra, Inc., a Delaware corporation, known (or satisfactorily proven), to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized officer of said corporation by signing the name of the corporation by himself as \_\_\_\_\_.

AS WITNESS my hand and notarial seal.

Joan A. Rydberg  
Notary Public



My Commission Expires:

01/11/97

B:FN168301.LSE/ConAgra/Disk1/mes

EXHIBIT A

DESCRIPTION OF RAILCARS

One hundred twenty (120) covered hopper railcars bearing the following reporting marks and numbers:

DESCRIPTION OF RAILCARS

SCHEDULE A

#	New Car #
1	NRLX057001
2	NRLX057028
3	NRLX057042
4	NRLX057047
5	NRLX057053
6	NRLX057062
7	NRLX057070
8	NRLX057075
9	NRLX057076
10	NRLX057080
11	NRLX057086
12	NRLX057093
13	NRLX057100
14	NRLX057103
15	NRLX057105
16	NRLX057106
17	NRLX057108
18	NRLX057072
19	NRLX057019
20	NRLX057039
21	NRLX057041
22	NRLX057054
23	NRLX057066

DESCRIPTION OF RAILCARS

SCHEDULE A

#	New Car #
24	NRLX057113
25	NRLX057003
26	NRLX057006
27	NRLX057009
28	NRLX057085
29	NRLX057021
30	NRLX057056
31	NRLX057061
32	NRLX057067
33	NRLX057089
34	NRLX057057
35	NRLX057059
36	NRLX057064
37	NRLX057079
38	NRLX057005
39	NRLX057078
40	NRLX057096
41	NRLX057098
42	NRLX057055
43	NRLX057082
44	NRLX057084
45	NRLX057111
46	NRLX057116
47	NRLX057097

**DESCRIPTION OF RAILCARS**

**SCHEDULE A**

#	New Car #
48	NRLX057023
49	NRLX057046
50	NRLX057051
51	NRLX057065
52	NRLX057090
53	NRLX057002
54	NRLX057024
55	NRLX057029
56	NRLX057033
57	NRLX057035
58	NRLX057068
59	NRLX057015
60	NRLX057091
61	NRLX057092
62	NRLX057117
63	NRLX057017
64	NRLX057081
65	NRLX057087
66	NRLX057099
67	NRLX057004
68	NRLX057007
69	NRLX057008
70	NRLX057010
71	NRLX057012

**DESCRIPTION OF RAILCARS**

**SCHEDULE A**

#	New Car #
72	NRLX057013
73	NRLX057016
74	NRLX057020
75	NRLX057083
76	NRLX057088
77	NRLX057094
78	NRLX057095
79	NRLX057102
80	NRLX057107
81	NRLX057119
82	NRLX057030
83	NRLX057060

SCHEDULE A

1	CR 888432	NRLX057000
2	CR 892171	NRLX057011
3	CR 892082	NRLX057014
4	CR 892117	NRLX057018
5	CR 892053	NRLX057022
6	CR 892124	NRLX057025
7	CR 892043	NRLX057027
8	CR 892029	NRLX057032
9	CR 892104	NRLX057034
10	CR 892036	NRLX057036
11	CR 892084	NRLX057037
12	CR 892109	NRLX057038
13	CR 892131	NRLX057040
14	CR 892116	NRLX057044
15	CR 892058	NRLX057045
16	CR 892092	NRLX057048
17	CR 892120	NRLX057049
18	CR 892134	NRLX057050
19	CR 892114	NRLX057058
20	CR 892039	NRLX057063
21	CR 892072	NRLX057069
22	CR 892070	NRLX057071
23	CR 892139	NRLX057074
24	CR 892017	NRLX057077
25	CR 892066	NRLX057101
26	CR 892002	NRLX057112
27	CR 892045	NRLX057114
28	CR 892046	NRLX057115
29	CR 892154	NRLX057118
30	CR 892178	NRLX057120
31	CR 888373	NRLX057026
32	CR 888424	NRLX057031
33	CR 888375	NRLX057043
34	CR 888445	NRLX057052
35	CR 888407	NRLX057073
36	CR 888367	NRLX057109
37	CR 888405	NRLX057110

EXHIBIT B

CERTIFICATE OF INSPECTION AND ACCEPTANCE

The undersigned, \_\_\_\_\_,  
the duly authorized representative of CONAGRA, INC. (the "Lessee"),  
represents and warrants that the Cars as described in the attached  
Exhibit A have been delivered to the Lessee, have been inspected  
and meets all regulatory requirements, and is in all respects  
acceptable and accepted by, the Lessee. This certificate is being  
delivered pursuant to Section 2 of the certain Lease Agreement  
dated \_\_\_\_\_, 1996, by and between the Lessee and Lessor.

IN WITNESS WHEREOF, the undersigned, being the \_\_\_\_\_  
of the Lessee, does hereunto set his hand as of this \_\_\_\_ day of  
\_\_\_\_\_, 1996, on behalf of the Lessee.

COMPANY:

CONAGRA, INC.

By: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

PRINT TITLE: \_\_\_\_\_

EXHIBIT E

<u>Termination Date Price</u>	<u>Early Purchase</u>
12 month anniversary of Commencement Date	per Car
24 month anniversary of Commencement Date	per Car
36 month anniversary of Commencement Date	per Car
48 month anniversary of Commencement Date	per Car

Additional Monthly Payment Amounts

Months 1-12 of Base Lease Term:	per Car per month
Months 13-24 of Base Lease Term:	per Car per month

EXHIBIT D

MONTHLY AND DAILY RENTALS

Monthly rental shall be       ) per Car, per month, for each whole month during the first twelve months of the Base Lease Term and       per Car, per month, for each whole month during the remainder of the Base Lease Term.

For periods of less than a whole month, rent shall be paid on a daily basis at       per Car, per day.

EXHIBIT E

<u>Termination Date Price</u>	<u>Early Purchase</u>
12 month anniversary of Commencement Date	per Car
24 month anniversary of Commencement Date	per Car
36 month anniversary of Commencement Date	per Car
48 month anniversary of Commencement Date	per Car

Additional Monthly Payment Amounts

Months 1-12 of Base Lease Term:	per Car per month
Months 13-24 of Base Lease Term:	per Car per month