

JUN 13 '08

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LAW OFFICES OF
LOUIS E. GITOMER

SURFACE TRANSPORTATION BOARD

LOUIS E. GITOMER
LOU_GITOMER@VERIZON.NET

THE ADAMS BUILDING, SUITE 301
600 BALTIMORE AVENUE
TOWSON, MARYLAND 21204-4022
(202) 466-6532
FAX (410) 332-0885

June 13, 2008

Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
Washington, DC 20423

Dear Acting Secretary Quinlan:

I have enclosed for e-filing the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is Schedule No. 001, a secondary document, dated as of June 4, 2008. The primary document to which this is connected is recorded under Recordation No. 27506. We request that this document be recorded under Recordation No. 27506-B.

The names and addresses of the parties to the Schedule No. 001 are:

Lessor:

Banc of America Leasing & Capital, LLC
2059 Northlake Parkway, 4 South
Tucker, GA 30084

Lessee:

CHS, Inc.
5500 Cenex Drive
Inver Grove Heights, MN 55077

A description of the equipment covered by the Schedule No. 001 consists of 150 covered hopper cars numbered CHSX 580001-58150, inclusive.

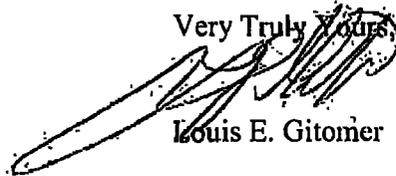
Honorable Anne K. Quinlan
June 13, 2008
Page 2

A fee of \$35.00 is enclosed. Please return one copy by email to:

Louis E. Gitomer
600 Baltimore Avenue, Suite 301
Towson, MD 21204
Lou_Gitomer@verizon.net

A short summary of the document to appear in the index follows: Schedule No. 001 between Banc of America Leasing & Capital, LLC, 2059 Northlake Parkway, 4th Floor, Tucker, GA 30084-4431, and CHS, Inc., 5500 Cenex Drive, Inver Grove Heights, MN 55077, covering 150 covered hopper cars numbered CHSX 580001-58150, inclusive.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Louis E. Gitomer", is written over the typed name. The signature is stylized and somewhat cursive.

Louis E. Gitomer

Enclosure

RECORDATION NO. 27506-B FILED

JUN 13 '08

12-27 PM

Bank of America



SURFACE TRANSPORTATION BOARD

Bank of America Leasing & Capital, LLC **Schedule to Lease Agreement** **Schedule Number - 001**

This Schedule ("Schedule"), dated as of June 4, 2008, between Bank of America Leasing & Capital, LLC ("Lessor") and CHS Inc. ("Lessee") is executed pursuant to Lease Agreement Number 41001-00400 dated May 6, 2008, incorporated in this Schedule by this reference (the "Lease Agreement"). Unless otherwise defined in this Schedule, capitalized terms used in this Schedule have the respective meanings assigned to such terms in the Lease Agreement. If any provision of this Schedule conflicts with any provision of the Lease Agreement, the provisions contained in this Schedule shall prevail. Lessee hereby authorizes Lessor to insert the serial numbers and other identification data of the Units, dates, and other omitted factual matters or descriptions in this Schedule.

1. **Description of Units.** The Units subject to this Schedule ("Units"), which have a cost to Lessor ("Lessor's Cost") in the aggregate of \$10,080,000.00, inclusive of taxes, shipping, installation and other related expenses, if any ("Soft Costs"), are as follows:

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF.

**Equipment Total:
Payment Total:**

2. **Acceptance.** Lessee acknowledges and represents that the Units (a) have been delivered to, received and inspected by Lessee, (b) are in good operating order, repair, condition and appearance, (c) are of the manufacture, design and capacity selected by Lessee and are suitable for the purposes for which the Units are leased, and are acceptable and satisfactory to Lessee, (d) do not require any additions or modifications to make them suitable for use, other than ancillary modifications or additions normally made by lessees of similar assets, and are available for use and lease by Lessee and Lessor, and (e) have been irrevocably accepted as "Units" leased by Lessee under this Schedule as of the date written below (the "Acceptance Date").

3. **Term.** The term of the Lease for the Units is for an "Interim Term" (if any) beginning on the Acceptance Date, and continuing through and including the day preceding the Base Date; and for a "Base Term" of One hundred twenty (120) months, beginning on the 5th day of the calendar month during or following the Acceptance Date (the "Base Date").

4. **Rental.** Interim rent shall be due Lessor for each day in the Interim Term in an amount equal to the LIBOR Rate multiplied by Lessor's Cost and shall be payable on the Base Date. The "LIBOR Rate" shall mean the per annum rate of interest equal to the "average of interbank offered rates for dollar deposits in the London market based on quotations of sixteen major banks" for a term of thirty days year as published in the Wall Street Journal under the heading entitled "Money Rates London Interbank Offered Rates (LIBOR)", as of the Base Date plus

Base Rent shall be payable in advance in One hundred twenty (120) consecutive monthly installments of _____ each, or as set forth in the Schedule of Base Rent installments attached hereto, the first Base Rent installment being payable on the Base Date and the remaining Base Rent installments being payable on the like day of each succeeding month.

5. **Stipulated Loss Value.** After Lessor's receipt of notice of the occurrence of any Total Loss or other relevant event relating to any Unit, Lessor shall calculate the Stipulated Loss Value for such Unit and give Lessee notice thereof. Such "Stipulated Loss Value", as of any particular date, shall be the product obtained by multiplying the Lessor's Cost for the Unit in question by the percentage, as set forth in the "Schedule of Stipulated Loss Values" attached as Annex I, specified opposite the rent installment number (or date) becoming due immediately after the date Lessee gives or is required to give Lessor notice requiring payment of the Stipulated Loss Value. If only a portion of the Units is affected by any event causing calculation of Stipulated Loss Value, and the cost of such portion cannot be readily determined from the Lessor's Cost set forth above, then the Lessor's Cost for such portion shall be as reasonably calculated by Lessor, and notified to Lessee.

6. **Tax Matters.** Lessee represents, warrants and agrees that (a) the Units qualify under asset guideline class 0.25 and constitute "7-year property" within the meaning of Section 168 of the Code; (b) the Lessor is the owner of the Units and is entitled to annual accelerated cost recovery deductions for each Unit as provided by Section 168(a) of the Code; (c) the Lessee and all direct or indirect assignees and sublessees of Lessee shall treat this Lease as a "true lease" for income tax purposes and will not claim any depreciation or other tax attributes associated with ownership of the Units, and (d) in any taxable year of Lessor, no deductions or losses arising from this Lease will arise from sources without the United States under Section 863 of the Code.

7. **Location of Units.** Units will be located at:

<u>Location</u>	<u>Address</u>	<u>City</u>	<u>County</u>	<u>State</u>	<u>ZIP</u>
A	1833 - 130th Street	Fairmont	Martin	Minnesota	56031

8. Further Representations and Agreements. Lessee represents, warrants and agrees as follows:

(a) All representations and warranties of Lessee contained in the Lease Agreement are restated as of the Acceptance Date and are true and correct as of such date.

(b) There has been no material adverse change in the operations, business, properties or condition (financial or otherwise) ("Material Adverse Change") of Lessee or any Guarantor since May 31, 2007. There is not pending against Lessee any litigation, proceeding, dispute or claim that may result in a Material Adverse Change as to Lessee or that may call into question or impair Lessee's legal or other ability to enter into and perform its obligations under this Lease.

(c) The operation and maintenance of any Unit in the ordinary course by Lessee do not require the entry into any software or other intellectual property rights agreement with any licensor or other person, except as disclosed to Lessor in writing prior to the Acceptance Date.

9. Miscellaneous.

(a) ~~Extension; Purchase.~~ In lieu of Lessee's obligation to return the Units to Lessor upon expiry of the Base Term, Lessee may, if no Event of Default exists, and upon Lessee having provided to Lessor notice not less than 180 days prior to such expiry, irrevocably elect to:

- (i) extend the Base Term as to all or a portion of randomly selected Units under this Schedule for a period to be agreed upon by Lessee and Lessor for an amount equal to the Units then fair market rental value as determined by Lessor. The fair market rental value shall be payable monthly by Lessee to Lessor on the first day of each month during the extension term, or
- (ii) purchase all of Lessor's right, title and interest in and to all, or a portion of randomly selected Units under this Schedule on an "as-is, where-is," quitclaim basis, for a purchase price equal to the then Fair Market Value of the Units not to exceed "Fair Market Value" shall mean an amount equal to the value of the Units that would be received in an arm's-length transaction between an informed and willing buyer/user and an informed and willing seller under no compulsion to sell, as determined by mutual agreement of Lessor and Lessee or, failing such agreement, by an independent, qualified appraiser selected by Lessor, with the cost of such appraisal to be borne by Lessee. Lessee shall pay Lessor the purchase price plus any applicable taxes on the expiration of the Base Term in immediately available funds.

If Lessee fails to provide notice of its election to either renew or purchase pursuant to clause (i) or (ii) above, respectively, at least 180 days before expiration of the Base Term, this Schedule and the Base Term shall, at the option of Lessor, renew for a period of three months at the same rental as was most recently payable during the Base Term or terminate upon expiration of the Base Term. Lessee shall reimburse Lessor for all costs and expenses (including Attorney Costs) incurred in connection with any extension or purchase hereunder.

10. Rail Equipment Provisions. In addition to the other requirements in the Lease Agreement, Lessee agrees, in relation to any Unit that is a locomotive or rail car, at all times during the term of the Lease, at its own expense, as follows:

(a) ~~Use, Maintenance, Return Conditions.~~ Lessee (i) shall not cause or permit the Unit to be used or assigned for use in service involving the regular operation outside the United States; and (ii) shall use, operate, protect and maintain the Units in compliance with all standards of the Association of American Railroads and any successor organization. Supplementing the provisions of Section 8 of the Lease Agreement, at such time as Lessor is entitled to possession of any Unit, Lessee shall comply with the additional return conditions specified in the attached Annex II.

(b) ~~STB Filing.~~ Lessee shall, at its expense, cause a copy of this Schedule, or summary thereof, as instructed by Lessor, to be filed with the Surface Transportation Board.

11. Miscellaneous.

(a) ~~Early Buy-Out.~~ If no event of Default exists, Lessee may purchase all, but not less than all, Units subject to this Schedule as of the 96th scheduled Base Rent installment date of the Base Term of each such Unit (the "Early Buy-Out Date"), by notice to Lessor not less than 180 days prior to the early Buy-Out Date. On the Early Buy-Out Date, Lessee shall pay to Lessor the Base Rent installment due, together with all other amounts then owing, plus an amount equal to plus any applicable taxes. Upon such payment, the

obligation of Lessee to pay rent hereunder with respect to the Units after the Early Buy-Out Date shall cease, the lease term for the Units shall end on the respective Early Buy-Out Date, and Lessor shall execute and deliver to Lessee a quitclaim bill of sale for the Units.

CHS Inc.

By: [Signature]

Printed Name: John Schmitz

Title: Exec VP CFO

Acceptance Date: 6/11/08

Notarial Acknowledgment:

State of Minnesota

County of Dakota

I hereby certify that on this day before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared John Schmitz to me known to be the person(s) described in and who executed the foregoing instrument and acknowledged before me that (he, she, they) duly executed the same.

In Witness Whereof I have hereunto set my hand and official seal this 11th day of June, 2008
My Commission Expires 1-31, 2009

(Official Seal)



Paula M. Jones
Notary Public
In and for said County and State or District of Columbia

Bank of America Leasing & Capital, LLC

By: [Signature]

Printed Name: Carol T. Jones

Title: Senior Vice President

Notarial Acknowledgment:

State of Georgia

County of Dekalb

I hereby certify that on this day before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Carol T. Jones to me known to be the person(s) described in and who executed the foregoing instrument and acknowledged before me that (he, she, they) duly executed the same.

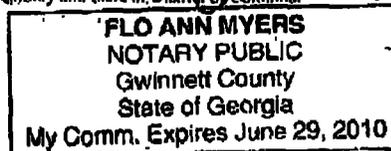
In Witness Whereof I have hereunto set my hand and official seal this 11th day of June, 2008
My Commission Expires June 29, 2010

(Official Seal)

[Signature]
Notary Public
In and for said County and State or District of Columbia

Attachment:

- Annex I: Schedule of Stipulated Loss Values
- Annex II: Supplemental Return Conditions



CHS INC. 41001-00401
Exhibit A

150 - A32A3250 - Model 3217 Covered Hopper Rail Road Cars, 5791 CF, Quad Eng: AB, Plt: #372

CAR NUMBERS:

CHSX 5 8 0 0 0 1
 CHSX 5 8 0 0 0 2
 CHSX 5 8 0 0 0 3
 CHSX 5 8 0 0 0 4
 CHSX 5 8 0 0 0 5
 CHSX 5 8 0 0 0 6
 CHSX 5 8 0 0 0 7
 CHSX 5 8 0 0 0 8
 CHSX 5 8 0 0 0 9
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CAR NUMBERS:

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CAR NUMBERS:

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ANNEX I
TO
SCHEDULE
41001-00401

SCHEDULE OF
STIPULATED LOSS VALUES

Base Rent Installment Number	Stipulated Loss Value Percentage	Base Rent Installment Number	Stipulated Loss Value Percentage	Base Rent Installment Number	Stipulated Loss Value Percentage
---------------------------------------------	-------------------------------------------------	---------------------------------------------	-------------------------------------------------	---------------------------------------------	-------------------------------------------------

ANNEX II
TO
SCHEDULE NO. 001,
41001-00400

SUPPLEMENTAL MAINTENANCE AND RETURN CONDITIONS

LOCOMOTIVES AND RAILCARS

In addition to the maintenance and return provisions applicable to all Equipment set forth in the Master Lease, the following shall apply to the Equipment subject to the Schedule:

1. **Supplemental Maintenance Provisions:** The Equipment shall at all times comply with the applicable Interchange standards set for such Equipment by the Association of American Railroads ("AAR"), or any successor thereto, and be and remain in good operating order and repair by industry standards and fit for the purpose for which the Equipment was designed. In any event, the Equipment shall at all times satisfy the criteria below:

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

b. Exterior and interior surfaces will be free of significant rust and corrosion and will be painted according to a standard paint scheme, free of any and all advertising and notices other than receiving numbers and Lessee's corporate identification. If any Equipment suffers corrosion or other damage related to or connected with the commodity or other material placed or allowed to accumulate in any item of Equipment, or to which the Equipment is exposed, Lessee shall be liable for such damage, regardless of how caused and whether or not due to Lessee's negligence;

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

d. The Equipment shall be maintained in compliance with the original manufacturer's recommended maintenance procedures and policies and be eligible for coverage under any manufacturer's warranties;

e. Provided that Lessee's maintenance standards meet or exceed the other requirements set forth above and in the Master Lease, Lessee shall maintain the Equipment or cause the Equipment to be maintained on the same basis that Lessee employs for similar equipment, whether owned or leased;

f. Lessee shall make no repair, alteration, modification, addition or attachment (collectively "Modification") with respect to any item of Equipment which (i) interferes with the normal and satisfactory operation or maintenance thereof, (ii) creates a safety hazard, (iii) violates any provision of this Annex or the Master Lease, (iv) results in the creation of a mechanic's or materialmen's lien with respect thereto, (v) impairs the originally intended function, use or value of such item as it existed immediately prior to the Modification or (vi) decreases the residual value, remaining useful life or utility of such item of Equipment; and

g. Lessee will cause each item of Equipment to be kept numbered with the road number and serial number as shall be set forth in any Lease Schedule and it will not change the identification number of any item of Equipment unless and until (i) a statement of a new number or numbers to be substituted therefor shall have been delivered to Lessor and filed, recorded and deposited by Lessee in all appropriate public offices, including the public offices where the Lease shall have been filed, recorded and deposited and (ii) Lessee shall have furnished to Lessor an opinion of counsel, in form and substance reasonably satisfactory to Lessor, to the effect that such statement has been so filed, recorded and deposited, that such filing, recordation and deposit will protect Lessor's interest in each item of Equipment and that no other filing, recording, deposit or giving of notice to any governmental authority is necessary to protect such interests.

2. **Supplemental Return Conditions:** Lessee must notify Lessor in writing not less than 180 days prior to expiration of the Base Term and of any extension or renewal thereof of Lessee's intent to return the Equipment or to exercise any purchase or renewal option set forth in the Schedule. If notice to return is provided, at not less than 90 days prior to lease expiry, Lessor requires that all cars be inspected for compliance with return conditions. The inspector will be chosen by Lessor however all expenses will be paid for by Lessee.

Upon expiration or any earlier termination of the Lease, all Equipment shall be returned to the location(s) designated by Lessor in the same condition as when first accepted by Lessee, ordinary wear and tear resulting from the normal and proper use thereof alone excepted, in compliance with Section 8 of the Master Lease, and in compliance with the following: (i) free of any special advertising, lettering or other marking, washed with hot water (interior and exterior)

Annex II - Supplemental Maintenance and Return Conditions

Page 2

and free of any liquid or product residue, silt, sludge or other debris, with lining intact (or at Lessor's option, with such lining blasted, removed or replaced) and otherwise in the condition in which it is required to be maintained hereunder; (ii) all wheels shall have a minimum thickness and contour equal to at least 50% of the original manufacturer's specifications; (iii) all railcars will be subjected to a repair track air brake test and any components not meeting minimum requirements must be repaired or replaced as required under applicable AAR rules; (iv) brake linings shall have a minimum of 50% of the usable wear remaining; (v) sheet metal, paint and body damage shall not exceed \$500.00 in total per car; (vi) no component thereof will have been operated for more than 50% of the total miles allowed for such component as dictated by the original equipment manufacturer's published recommendations; and (vii) any locomotive Equipment will produce its original rated horsepower (+2%) while under load testing conditions.

Lessee shall provide to Lessor true, correct and complete copies of all records, logs and other materials maintained by Lessee in accordance with the Lease and AAR standards.

Upon redelivery, Lessee will permit Lessor or any person designated by it, including authorized representatives of any prospective purchasers, new lessees or users of such items, to inspect the same, and at Lessor's sole discretion the inspection shall be performed jointly by Lessor and Lessee, during normal business hours upon reasonable notice.

Lessor or its representative will inspect the Equipment to verify that the items of Equipment have been maintained and returned in compliance with the terms and conditions of this Annex and the Master Lease. In the event of any non-compliance or deficiencies, Lessee shall promptly (but in no more than 30 days following such inspection) either make such repairs as are required to correct the deficiencies or to deliver the deficient item of Equipment to a repair facility approved in advance by Lessor for such repairs and pay the costs of such repairs at the then current market prices; or, at Lessor's option, in lieu of such corrections or repairs, Lessee shall pay to Lessor the difference in the fair market value as reasonably determined by Lessor between the deficient item of Equipment in its actual condition and the value of such item of Equipment had it been in full compliance with the terms of this Annex and the Master Lease.