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RECORDATION NO. 22725, FILED
JAN 18 '00 3-58 PM
SURFACE TRANSPORTATION BOARD

A - filed 3:59 PM
B - filed 4:00 PM

December 31, 1999

RECEIVED
JAN 13 2000
V-L
MANAGEMENT
STB

VIA CERTIFIED MAIL
Surface Transportation Board
ATTN: Recordation of Railroad Equipment
1925 K Street N.W., Suite 704
Washington, D.C. 20423-0001

Re: Carlson Leasing/General - Kasgro Leasing LLC and Kasgro Rail Corp.
Our File No.: 06327-000

To Whom It May Concern:

Enclosed please find one (1) original and one (1) copy of the documents described below to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

Lease Agreement with attached Addendum "A", dated December 10, 1999, between CLC Equipment Company, as Lessor, and Kasgro Leasing LLC and Kasgro Rail Corp., as Co-Lessees.

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

Lessor: CLC Equipment Company
1405 Xenium Lane North
Plymouth, MN 55441

Co-Lessees: Kasgro Leasing LLC
320 East Cherry Street
New Castle, PA 16102

Kasgro Rail Corp.
320 East Cherry Street
New Castle, PA 16102

RECEIVED
SURFACE TRANSPORTATION BOARD
JAN 21 12 37 PM '00
APPELLATE BRIEFING
BRANCH
OFFICE OF THE
SECRETARY

JAN 18 10 24 AM '00
APPELLATE BRIEFING
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OFFICE OF THE
SECRETARY

RECEIVED
SURFACE TRANSPORTATION
BOARD

N:\PL\BAS\73194093.wpd

Lease Supplement No. 835101: This document is a lease supplement, a secondary document, dated December 21, 1999. The primary document to which this is connected is a Lease Agreement, dated December 10, to be recorded pursuant to this letter, between CLC Equipment Company, as Lessor, and Kasgro Leasing LLC and Kasgro Rail Corp., as Co-Lessees.

The names and addresses of the parties to the document are the same as indicated above.

A description of the equipment covered by this document is as follows:

One (1) 70' FM 225 Ton Flat Car - Serial No. LNAL 70958
One (1) 70' FM 225 Ton Flat Car - Serial No. LNAL 70959
One (1) 70' FM 225 Ton Flat Car - Serial No. LNAL 70960
One (1) 70' FM 225 Ton Flat Car - Serial No. LNAL 70961

Lease Supplement No. 835102: This document is a lease supplement, a secondary document, dated December 21, 1999. The primary document to which this is connected is a Lease Agreement, dated December 10, to be recorded pursuant to this letter, between CLC Equipment Company, as Lessor, and Kasgro Leasing LLC and Kasgro Rail Corp., as Co-Lessees.

The names and addresses of the parties to the document are the same as indicated above.

A description of the equipment covered by this document is as follows:

One (1) 70' FM 225 Ton Flat Car - Serial No. LNAL 70957
One (1) 70' FM 225 Ton Flat Car - Serial No. LNAL 70956
One (1) 70' FM 225 Ton Flat Car - Serial No. LNAL 70955
One (1) 70' FM 225 Ton Flat Car - Serial No. LNAL 70954
One (1) 70' FM 225 Ton Flat Car - Serial No. LNAL 70953

A check for $78.00 is enclosed for the filing fee. Please return the original recorded document to:

Fabyanske, Westra & Hart, P.A.
Attn: Beth A. Schwartz
920 Second Avenue South, Suite 1100
Minneapolis, MN 55402

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Please contact me directly at (612) 336-9558 if necessary.

Very truly yours,

Beth A. Schwartz
Legal Assistant

Enclosures
cc: Mr. James Bluhm

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RECORDATION NO. 22725 FILED
JAN 18 '00 3-58 PM
SURFACE TRANSPORTATION BOARD
RECEIVED
JAN 13 2000
MANAGEMENT
STB

LEASE AGREEMENT

Dated as of December 10, 1999

between

CLC Equipment Company

as Lessor

and

Kasgro Leasing LLC and Kasgro Rail Corp., as Co-Lessees

as Lessee

with respect to

RAILCARS

FILED WITH THE SURFACE TRANSPORTATION BOARD
fka: INTERSTATE COMMERCE COMMISSION
PURSUANT TO 49 U.S.C. 11303
ON JANUARY 18, 2000
AT 3:58 P.M.
RECORDATION NUMBER 22725

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LEASE AGREEMENT dated as of December 10, 1999 between CLC Equipment Company , a Minnesota corporation ("Lessor"), and , Kasgro Leasing LLC, a Pennsylvania limited liability company and Kasgro Rail Corp., a Pennsylvania corporation, as Co-Lessees ("Lessee").
Lessor and Lessee agree as follows:

SECTION 1. Definitions. The following terms shall have the following meanings for all purposes of this Lease:

"Affiliate" of any specified Person shall mean any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Applicable Law" shall mean all applicable laws (foreign or domestic), treaties, judgments, decrees, injunctions, writs and orders of any court, governmental agency or authority and rules, regulations, orders, directives, licenses and permits of any governmental body, instrumentality, agency or authority, including without limitation all rules and regulations of the United States Department of Transportation, the Federal Railroad Administration and the ICC and the current Interchange Rules or Supplements thereto of the Mechanical Division Association of American Railroads as the same may be in effect from time to time.

"Appraisal Procedure" shall mean the following procedure for determining a value for the Railcars . If either Lessor or Lessee shall give written notice to the other requesting determination of such value by appraisal, Lessor and Lessee shall consult for the purpose of appointing a mutually acceptable qualified Independent Appraiser. If such parties shall be unable to agree on an appraiser within 20 days of the first giving of such notice (the "Appraisal Request Date"), such value shall be determined by a panel of three Independent Appraisers, one of whom shall be selected by Lessee, another of whom shall be selected by Lessor and the third of whom shall be selected by such other two Appraisers or, if such Appraisers shall be unable to agree upon a third Appraiser within 10 days of the selection date of the second of such two Appraisers, by the American Arbitration Association; provided, that if either party shall not select its Appraiser within 35 days after the Appraisal Request Date, such value shall be determined solely by the Appraiser selected by the other party. The Appraiser or Appraisers appointed pursuant to the foregoing procedure shall be instructed to determine such value within 45 days after the final appointment of any Appraiser pursuant hereto (but in no event may such determination be made more then 90 days following the Appraisal Request Date), and such determination shall be final and binding upon the parties. If three Appraisers shall be

appointed, (a) and if none of the values determined differs from the others by an amount equal to 15% of the lowest value determined by any Appraiser, then all three values shall be averaged and such average value shall constitute the determination of the Appraisers, otherwise (b) the value of the Appraiser that differs most (in dollar amount) from the values of the other two Appraisers shall be excluded, the remaining two values shall be averaged and such average value shall constitute the determination of the Appraisers. Fees and expenses relating to an Appraisal Procedure shall be payable as follows:

(i) If the Appraisal Procedure is utilized in connection with the exercise of remedies upon the occurrence of an Event of Default under the Lease, all such fees and expenses shall be borne by Lessee;

(ii) If the Appraisal Procedure is utilized in connection with the possible exercise of a purchase option pursuant to Section 2 (e), then each party shall bear its respective fees and expenses, provided (A) if an appraisal under the Appraisal Procedure shall be conducted by one Appraiser only, Lessee shall bear the fees and expenses of such Appraiser, or (B) if an appraisal under the Appraisal Procedure shall be conducted by more than one Appraiser, Lessee shall bear the fees and expenses of the Appraiser appointed by Lessee and of the Appraiser appointed jointly by the Appraiser of Lessee and the Appraiser of Lessor, and Lessor shall bear the fees and expenses of the Appraiser appointed by Lessor; and provided, further, that if after the utilization of such Appraisal Procedure Lessee does not exercise such purchase option, then Lessee shall reimburse Lessor for all fees and expenses paid by Lessor in respect of such Appraisal Procedure; and

(iii) in all other instances, each party shall bear (A) its respective fees and expenses with respect to any Appraisal Procedure and (B) one-half of the fees and expenses of the Appraisers participating in any Appraisal Procedure.

"Appraiser" shall mean a Person engaged in the business of appraising property who has at least three years' experience in appraising property similar to the Railcars.

"Authorized Person" shall mean any Person authorized by or pursuant to the charter documents, the bylaws or any Board Resolution (in the case of a corporation), partnership agreement (in the case of a partnership), operating agreement (in the case of a limited liability company), or trust agreement (in the case of a trust) to execute deliver and take all other actions on behalf of such entity in respect of any of the Operative Documents.

"Basic Rent" (i) during the Basic Term, Basic Rent for each Railcar subject to this Lease shall be 120 consecutive equal monthly installments payable in advance in accordance with Section 3, each such installment shall be in an amount equal to 1.12474% of the Aggregate Lessor's Cost for such Railcar subject to this Lease, and; (ii) during each Renewal Term, Basic Rent shall be set as described in Section 2 (b) of this Lease.

"Basic Term" shall mean for each Railcar the ten (10) year period beginning on the Closing Date for such Railcar.

"Business Day" shall mean any day other than a Saturday or Sunday or other day on which the banks in Minneapolis, Minnesota or New Castle, Pennsylvania, are closed.

"Closing" with respect to any Railcar shall mean the delivery of such Railcar by Seller to Lessor and acceptance by Lessee pursuant to the Lease Supplement delivered in connection therewith as provided in Section 2.

"Closing Date" with respect to any Railcar shall mean the date on which a Closing occurs with respect to such Railcar pursuant to the Lease Supplement delivered in connection therewith as provided in Section 2. Unless the parties agree otherwise, in no event shall any Closing Date occur later than December 31, 2000.

"Daily Rent" shall mean the Basic Rent divided by 30.

"Default" shall mean an event or condition which, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

"Event of Default" shall mean any of the events referred to in Section 13.

"Event of Loss" shall mean with respect to any Railcar any of the following events occurring during the Lease Term: (i) such Railcar suffers an actual or constructive total loss, (ii) such Railcar becomes worn out or suffers destruction or damage or contamination beyond economic repair or such Railcar is rendered permanently unfit for commercial use by Lessee and for the purpose for which it was designed, as determined in good faith by Lessee and evidenced by an Officer's Certificate of Lessee to such effect, (iii) such Railcar is taken, condemned or requisitioned for title by any governmental authority, (iv) such Railcar is taken, condemned or requisitioned for use by any governmental authority for a period extending beyond the Basic Term or any Renewal Term then in effect, or (v) such Railcar is lost, stolen or otherwise disappears. The date of such Event of Loss shall be the

date of such loss, damage, contamination, condemnation, taking, requisition or disappearance, as applicable, except that for purposes of clause (iv) above, no Event of Loss shall be deemed to have occurred until the earlier of: (1) the last day of the Basic Term or any Renewal Term then in effect (unless Lessor shall elect in writing to accept return of such Railcar subject to government requisition) and (2) Lessee's declaration of the occurrence of an Event of Loss at anytime following 12 months after such taking or requisition.

"Fair Market Rent" for any Railcar shall mean, for any period, the rent for such Railcar (excluding any Severable Improvements title to which has vested in the Lessee but assuming that such Railcar complies with Section 6) for such period that would be obtained for a lease of such Railcar in an arm's-length transaction between an informed and willing owner under no compulsion to lease and an informed and willing lessee, which determination shall be made (i) without deduction for any costs of removal of such Railcar from the location of current use, (ii) on the assumption that such Railcar is free and clear of all liens and is in the condition and repair in which it is required to be returned pursuant to Sections 2 and 6 (but otherwise on an "as is" basis) and (iii) such Railcar is interchangeable under the rules of the Association of American Railroads and other Applicable Law; provided, however, that the determination of Fair Market Rent for the purposes of Section 14(b) of the Lease shall be based on the actual condition of such Railcar at the time of such determination and shall take into account all liens on such Railcar (other than Lessor Encumbrances) and any legal impediments to the prompt leasing and interchange of such Railcar by a Person other than the Lessee, notwithstanding the provisions of clauses (ii) and (iii) of this sentence.

"Fair Market Sale Value" for any Railcar shall mean the sale value of such Railcar (excluding any Severable Improvements title to which has vested in Lessee) that would be obtained in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer, which determination shall be made (i) without deduction for any costs of removal of such Railcar from the location of current use, (ii) on the assumption that such Railcar is free and clear of all liens and is in the condition and repair in which it is required to be returned pursuant to Sections 2(d) and 6 (but otherwise in an "as-is" condition) and (iii) such Railcar is interchangeable under the rules of the Association of American Railroads and other Applicable Law; provided, however, that the determination of Fair Market Sale Value for the purposes of Section 14(b) shall be based on the actual condition of such Railcar at the time of such determination and shall take into account all liens on such Railcar (other than Lessor Encumbrances), and any legal impediments to the prompt transfer of title to such Railcar and interchange of such Railcar by a Person other than Lessee, notwithstanding the provisions of clauses (ii) and (iii) of this sentence.

"ICC" shall mean the Surface Transportation Board fka: the Interstate Commerce Commission and any agency or instrumentality of the United States government succeeding to its functions.

"Improvement" shall mean an improvement, structural change, modification or addition to any Railcar made after the Closing Date.

"Independent" shall mean, when used with respect to any specified Person such a Person who (1) is in fact independent, and (2) does not have any direct financial interest or any material indirect financial interest in Lessor, Lessee, or in any Affiliate of any of them. Whenever it is provided that any Independent Person's opinion or certificate shall be furnished to Lessor, such Person shall be appointed by Lessee and approved by Lessor in the exercise of reasonable care and such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning thereof.

"Lease" shall mean this Lease Agreement (including all schedules and exhibits hereto) as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof and all Lease Supplements.

"Lease Supplement" shall mean each Lease Supplement between Lessor and Lessee substantially in the form of Exhibit A hereto.

"Lease Term" shall mean the Basic Term and all Renewal Terms actually entered into.

"Lessee" shall mean Kasgro Leasing LLC, a Pennsylvania Limited Liability Company, and Kasgro Rail Corp., a Pennsylvania Corporation, together with their successors and permitted assigns.

"Lessor's Cost" shall be as specified in the Lease Supplement with respect to which each Railcar is leased.

"Lessor Encumbrances" shall mean any liens, security interests or encumbrances on or against any interest of Lessor in or to the Railcars and this Lease that result from acts of, or any failure to act by, or as a result of claims (including any taxes) against Lessor arising out of any event or condition unrelated to the transactions contemplated by this Lease and any Lease Supplement, excluding liens, security interests and encumbrances arising from any tax for which Lessee is obligated to indemnify under Section 20 hereof,

other than any such tax for which Lessee has already made full indemnification pursuant to such agreement.

"Nonseverable Improvement" shall mean, at any time, an Improvement that shall not be readily removable from a Railcar without causing material damage to such unit within the meaning of Revenue Procedure 75-21 promulgated by the Internal Revenue Service or other similar law, regulation or procedure then in effect, or any Improvement required by law.

"Officer's Certificate" shall mean with respect to any Person, a certificate signed by the chairman of the board, the president or a vice president of such Person or any Authorized Person of such Person.

"Operative Documents" shall mean this Lease, the Lease Supplement, the Purchase Agreement and each Bill of Sale issued pursuant to the Purchase Agreement.

"Opinion of Counsel" shall mean a written opinion of counsel, who shall be reasonably acceptable to Lessor (or such other Person to whom such opinion is to be addressed pursuant to any of the Operative Documents).

"Overdue Rate" shall mean the Prime Rate plus 2% computed on the basis of a 360-day year of twelve 30-day months.

"Payment Date" shall mean with respect to the lease of any Railcar the first day of each month, beginning with the month following the month in which the Closing Date occurs and continuing on and including each of the following 119 consecutive Payment Dates for such Railcar thereafter, provided that if any such date shall not be a Business Day, then "Payment Date" shall mean the next succeeding Business Day.

"Permitted Encumbrances" shall mean (a) the rights of Lessee under the Lease, including, without limitation, subleases of and interchange agreements involving any Railcar in accordance with the terms of the Lease, (b) the rights of Lessor, which rights are subject to the liens and security interests created by Lessor, (c) any Lessor Encumbrances, (d) liens for taxes either not yet due or being contested by Lessee in good faith by appropriate proceedings, diligently prosecuted or appealed which do not involve more than a deminimis risk of sale, forfeiture or loss of a Railcar and (e) undetermined or inchoate materialmen's, mechanic's, workmen's, repairmen's or employee's liens or other like liens arising in the ordinary course of business and security obligations which are not delinquent or which shall have been bonded or the enforcement of which shall have been suspended or which do not involve more than a deminimis risk of sale, forfeiture or loss of

a Railcar or which are being contested by Lessee in good faith by appropriate proceedings diligently prosecuted or appealed.

"Person" shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or any agency or political subdivision thereof.

"Prime Rate" shall mean the rate of interest publicly announced from time to time by U. S. Bank, N.A., as its "base rate".

"Purchase Agreement" shall mean the Equipment Purchase Agreement by and between CLC Equipment Company, as buyer, and Kasgro Rail Corp, as seller, relating to the purchase and sale of the Railcars.

"Railcar" shall mean any railcar identified in a Lease Supplement or any Replacement Railcars which become Railcars pursuant to the terms of this Lease.

"Redelivery Locations" shall have the meaning assigned in Section 2(c).

"Renewal Term" shall have the meaning assigned in Section 2(b).

"Rent" shall mean the Basic Rent, Daily Rent and Supplemental Rent, collectively.

"Replacement Railcars" shall mean a railcar substantially similar in material and dimension to a Railcar with respect to which an Event of Loss has occurred and which is being replaced pursuant to Section 11(c).

"Responsible Officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of any party contained in any Operative Document, the President, or any Vice President, Assistant Vice President, Treasurer, Assistant Treasurer or other officer who in the normal performance of his operational responsibility would have knowledge of such matter and the requirements with respect thereto.

"Seller" shall mean Kasgro Rail Corp., the manufacturer of the Railcars identified in any Lease Supplement.

"Severable Improvement" shall mean any Improvement other than a Nonseverable Improvement.

"Stipulated Loss Value" with respect to any Railcar shall be the amount (with respect to each Payment Date) set forth on a schedule attached to the Lease Supplement.

"Supplemental Rent" shall mean any and all amounts (other than Basic Rent and Daily Rent), that Lessee assumes the obligation to pay or agrees to pay under any of the Operative Documents to Lessor or others including amounts payable as indemnity payments of Stipulated Loss Value under the Lease.

SECTION 2. Purchase and Lease; Renewal Terms; Return; Purchase Options.

(a) Purchase and Lease. On the Closing Date relating to a Railcar, (i) Lessor shall purchase such Railcar from Seller, and (ii) Lessor and Lessee shall conclusively evidence that such Railcar has been delivered to and accepted by Lessee and has been made subject to this Lease by executing and delivering a Lease Supplement covering such Railcar so purchased and leased.

(b) Renewal Terms. Provided that no Default pursuant to Section 13(a), (b) or (f) and no Event of Default shall have occurred and then be continuing, Lessee shall be entitled to renew this Lease with respect to all, but not less than all, of the Railcars then being leased under this Lease for a term of five years beginning on the day following the last day of the Basic Term, and for an additional term of five years beginning on the day following the last day of the first renewal term (each such five-year period herein referred to as a "Renewal Term"). The Rent for any Renewal Term shall be 75% of the monthly Rent in effect on the last day of the then applicable Lease Term. In the event that Lessee elects to renew this Lease, Lessee shall provide Lessor with a notice irrevocably electing such renewal at least 180 days but not more than 360 days prior to the beginning date for such Renewal Term.

(c) Redelivery. Lessee shall assemble and deliver possession of the Railcars in accordance with the terms of this Lease, at Lessee's own cost and expense, in such numbers and to such location or locations as Lessor shall reasonably direct not less than 60 days prior to the expiration of the Basic Term or any applicable Renewal Term (the "Redelivery Locations") (i) on the date of the expiration of the Basic Term or any applicable Renewal Term (if Lessee shall not have elected to renew in accordance with Section 2(b)), or (ii) at the termination of the applicable storage period or at such earlier time as Lessor may specify prior to the expiration of such storage period, provided that Lessee shall not be obligated to move any Railcar more than once at the request of Lessor. Any Railcar delivered to a Redelivery Location (or into storage, as Lessor may have requested as provided below) shall be deemed to

be redelivered hereunder (and Basic Rent with respect to such redelivered Railcars shall cease to accrue with respect thereto) on the later to occur of (i) the expiration of the Basic Term or any applicable Renewal Term, or (ii) the actual redelivery of such Railcar to such Redelivery Location or into storage. Lessee will, at the request of Lessor, store each Railcar free of charge and at Lessee's expense and risk on storage tracks selected by Lessee for a period commencing on the date of the actual delivery thereof to such storage tracks and terminating on a date not later than 60 days after the tracks and (i) the expiration of the Lease, or (ii) the date of actual delivery of such Railcar to such storage track.

If Lessor or its agent shall inspect any Railcar pursuant to Section 2(d) and shall reasonably conclude that such Railcar is not in the condition required by Section 2(d), Lessee, at its expense and risk, shall within 30 days thereafter make such repairs and perform such work as shall be necessary to place such Railcar in the condition required by Section 2(d), and the Lease Term shall be extended during any period necessary to make such repairs. Lessor's or its agent's inspections shall be at its own cost or expense except if a Default or Event of Default has occurred and is continuing or if pursuant to the immediately preceding sentence, Lessor shall have made such conclusion with respect to more than 2 of the Railcars, in either of which events Lessee shall reimburse Lessor or its agent for the reasonable costs and expenses related to the initial inspection of the Railcars. Lessee will provide Lessor with notice when each non-conforming Railcar has been repaired so as to be in the condition required by Section 2(d) and is ready to be reinspected by Lessor or its agent, and Lessor or its agent shall have 10 days from the date of receipt of such notice to inspect, at Lessee's sole cost and expense, such Railcar and inform Lessee if such Railcar is in the condition required by Section 2(d). If any Railcars are still not in the condition required by Section 2(d), the provisions of this subsection shall continue to control and any subsequent inspection required hereunder shall be at the sole cost and expense of Lessee. Lessee agrees to pay Daily Rent on each Railcar not redelivered in the condition required by Section 2(d), from and including the last day for which Lessee paid Basic Rent with respect to such Railcar to but excluding the actual redelivery of such Railcar to a Redelivery Location or into storage, as the case may be.

(d) Return Condition. At the time of any return, the Railcars so being returned shall be free and clear of all liens, security interests, charges and encumbrances and rights of others (other than any Lessor Encumbrances) and shall be in the condition required by this subsection and Section 6. Each Railcar redelivered hereunder shall be (i) in a condition suitable for the purpose and use for which it was originally intended and in a condition commercially acceptable to shippers, (ii) in a condition comparable to that of railcars of a similar type and age and suitable for interchange generally and (iii) in compliance with the requirements of Applicable Law. In addition, each Railcar redelivered pursuant to Section 2(c) shall be in the condition required by Section 6, excepting the passage of time and reasonable wear and tear (which shall not be deemed to include damage caused to any Railcar by any corrosive or abrasive substance loaded therein or used in connection therewith, damage caused to any Railcar by excessive unbalanced loading, excessive or unusual damage caused to any Railcar by open flames, vibrations, sledges or other similar devices during loading or unloading

operations and damage caused to any Railcar resulting from damaged safety appliances). Lessor or its agent may inspect any Railcar redelivered hereunder to determine whether such Railcar is in the condition required by this subsection at such time and location as Lessor and Lessee may reasonably establish. At such inspection, independent inspectors or surveyors representing both Lessee and Lessor, or an independent inspector or surveyor satisfactory to both sides, shall be present and shall determine and state the agreed repairs or work necessary to place such Railcar on the date of return in the condition required by Sections 2(c) and (d). Lessee and Lessor shall bear the cost of their respective independent inspectors or surveyors except as otherwise provided in Section 2(c).

(e) Purchase at Expiration of Lease Term. Provided that no Default described in Section 13(a), (b) or (f) and no Event of Default shall have occurred and be continuing, at the expiration of the Lease Term, Lessee shall be entitled to purchase all but not less than all of the Railcars then being leased under this Lease as follows:

(i) Lessee may, by notice to Lessor at any time not less than 180 days but not more than 360 days prior to the expiration of the Lease Term with respect to the Railcars, request that a determination be made under clause (iv) of this subsection of the Fair Market Sale Value of the Railcars. No such request for a determination pursuant to this clause shall be deemed an election by Lessee to purchase pursuant to the provisions of this subsection.

(ii) In the event that Lessee elects to purchase the Railcars, Lessee shall provide Lessor with a notice irrevocably making such election at least 90 days but not more than 270 days prior to the expiration of the Lease Term with respect to the Railcars.

(iii) Lessee shall pay to Lessor, on the expiration of the Lease Term with respect to the Railcars, an amount equal to the Fair Market Sale Value for such Railcars, and upon such payment and the payment by Lessee of all other Rent payable hereunder on or before such expiration date (including, without limitation, the Basic Rent becoming due and payable on such expiration date), Lessor shall transfer all its right, title and interest in and to such Railcars to Lessee, on an AS IS, WHERE IS BASIS, without any representation, recourse or warranty on the part of Lessor except that Lessor shall warrant to Lessee that such Railcars are free and clear of all Lessor Encumbrances.

(iv) In connection with an actual or prospective purchase by Lessee of the Railcars pursuant to this subsection, a determination shall be made (pursuant to the Appraisal Procedure) of the Fair Market Sale Value of Railcars. Such determination (which shall be completed within the time periods required by the Appraisal Procedure) shall be made as of the expiration of the Lease Term with respect to the Railcars.

SECTION 3. Rent.

(a) Basic Rent; Daily Rent. Lessee hereby agrees to pay to Lessor (i) on each Payment Date during the Basic Term or any Renewal Term, Basic Rent for each Railcar, payable monthly in advance, and (ii) for any extension of the Lease Term contemplated by Section 2(c), Daily Rent, payable monthly in arrears on the first day of the following month and on the date such Railcars shall be delivered by Lessee to Lessor pursuant to Section 2(c) in the condition required by Section 2(c) and (d) for the period from the last monthly payment date to such date of delivery.

(b) Supplemental Rent. In addition to its obligation to pay Basic Rent hereunder, Lessee shall pay to Lessor any and all Supplemental Rent (whether provided for herein or in any other Operative Document) as and when the same shall become due and owing, including, without limitation, to the extent permitted by applicable law, interest at a rate per annum equal to the Overdue Rate on any part of any installment of Basic Rent, Daily Rent or Supplemental Rent not paid when due for any period for which the same shall be overdue.

(c) Manner of Payment; Unconditional Payment. All Rent and other payments of any kind due from Lessee to Lessor under the terms of the Operative Documents are payable and shall be paid directly to Lessor or to Lessor's designee and are for the sole benefit of Lessor. All Rent shall be payable in United States funds at the address of Lessor as set forth in Section 15 on the day when each such payment shall be due. Lessee's obligation to pay Basic Rent, Daily Rent and Supplemental Rent payable hereunder shall be absolute and unconditional under any and all circumstances and except as otherwise provided herein, Lessee shall not be entitled to any abatement of Rent or other payments due hereunder or any reduction thereof under any circumstances or for any reason whatsoever. Lessee hereby waives any and all existing and future claims, as offsets, against any rent or other payments due hereunder and agrees to pay the Rent and other amounts due hereunder as and when due regardless of any offset or claim which may be asserted by Lessee. Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease except in accordance with the express terms hereof. If for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise by reason of an Event of Default except as specifically provided herein, Lessee nonetheless agrees to pay to Lessor an amount equal to each payment of Basic Rent, Daily Rent and Supplemental Rent at the time such payment would have become due and payable in accordance with the terms hereof had this Lease not been terminated in whole or in part. Except to the extent of any payment in excess of that required to be made hereunder, each payment of Rent made by Lessee shall be final, and Lessee will not seek to recover all or any part of such payment from Lessor for any reason whatsoever.

SECTION 4. Disclaimer of Warranties.

(a) NO REPRESENTATION OR WARRANTY. LESSEE ACKNOWLEDGES THAT (i) THE RAILCARS ARE OF DESIGN AND MANUFACTURE SELECTED BY LESSEE, (ii) THE RAILCARS ARE SUITABLE FOR LESSEE'S PURPOSES AND (iii) LESSOR IS NOT A MANUFACTURER OR DEALER IN SUCH PROPERTY OR A SELLER AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS ENACTED BY THE STATE OF MINNESOTA, NOR A SELLER'S AGENT, NOR A DEALER THEREIN, AND THAT LESSOR HAS NOT INSPECTED THE RAILCARS PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSEE ACKNOWLEDGES THAT LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ANY AGREEMENT, REPRESENTATION OR WARRANTY IMPLIED BY LAW, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. LESSEE WAIVES, AS BETWEEN ITSELF AND LESSOR, ANY AND ALL RIGHTS OR CLAIMS AS TO THE DESIGN, OPERATION OR CONDITION OF THE RAILCARS OR AS TO THE TITLE, VALUE, CONDITION, DESIGN OR MERCHANTABILITY OF THE RAILCARS, OR AS TO THE FITNESS OF THE RAILCARS FOR ANY PARTICULAR USE OR PURPOSE, OR AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS WHETHER OR NOT DISCOVERABLE, OR AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, OR AS TO THE ABSENCE OF ANY OBLIGATIONS BASED ON STRICT LIABILITY IN TORT OR, EXCEPT AS SET FORTH IN SECTION 4(b), ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE RAILCARS AND UNDER NO CIRCUMSTANCES WHATSOEVER SHALL LESSOR BE LIABLE OR RESPONSIBLE TO LESSEE FOR ANY CONSEQUENTIAL DAMAGES . THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND, EXCEPT AS PROVIDED ABOVE, NEGATION OF ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, BY LESSOR AND ANY PARTICIPANT IN ANY CAPACITY, WITH RESPECT TO ANY RAILCAR, OR ANY PART THEREOF WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE.

(b) Title. Notwithstanding the provisions of the foregoing subsection, Lessor represents and warrants that on the Closing Date it will have whatever title to the Railcars being delivered on such date as has been conveyed to it on such date by the Seller, subject to all Permitted Encumbrances.

SECTION 5. Use and Operation of Railcars; Quiet Enjoyment. During the Lease Term, so long as no Event of Default has occurred and is continuing, Lessee has the exclusive right to possession, control and full use of the Railcars leased hereunder and may use such

Railcars in any lawful trade or commerce, provided that Lessee shall use each Railcar only in the manner for which it was designed and intended, in compliance with Applicable Law and all manufacturer's instructions and warranty requirements.

SECTION 6. Maintenance. Lessee, at its own expense and risk, shall throughout the Lease Term maintain and repair the Railcars so as to keep them in good operating condition, ordinary wear and tear excepted, and in accordance with maintenance standards at least equal to the industry standards of maintenance for similar railcars and in the manner and in the same condition as Lessee would, in the prudent management of its own business, maintain and repair similar equipment owned or leased by it at such time so that such Railcars will remain (i) in as good operating condition as when originally delivered (ordinary wear and tear excepted) (ii) in compliance with any and all Applicable Law and industry regulations, (iii) mechanically suitable for interchange generally by Lessee and (iv) eligible under all manufacturer's warranties. Lessee agrees that it will not discriminate against any Railcar (as compared to other similar railcars owned or operated by Lessee) with respect to its use, operation or maintenance in contemplation of the expiration or termination of this Lease.

SECTION 7. Inspection. Lessor or its authorized representatives, may at any time, upon reasonable notice and at its own risk and expense, except as provided in the last sentence of this Section, inspect the Railcars and applicable maintenance and use records relating thereto, and Lessee shall make the foregoing available to Lessor, but Lessor shall have no duty to do so; provided, however, that any such inspection shall in no way interfere with any repairs or maintenance or the use and operation of the Railcars; and provided further, that in exercising such right of inspection, (i) Lessor shall not unreasonably interfere with Lessee's normal business operations and (ii) Lessor shall hold Lessee harmless from any claims resulting from injury, loss or death sustained by Lessor's representatives on Lessee's premises during any such inspection except to the extent that any such injury, loss or death occurs as a direct result of Lessee's negligence or willful misconduct. If Lessor or its authorized representatives shall reasonably conclude that 2 or more of the Railcars are not being maintained or used in compliance with the terms of this Lease, then Lessee shall reimburse Lessor for its reasonable costs and expenses related to its inspection resulting in such conclusion and any subsequent inspection until Lessor determines that the Railcars are being maintained and used in compliance with the terms of this Lease.

SECTION 8. Improvements.

(a) Improvements. Lessee shall make such Improvements to the Railcars as shall be required in order to comply with Section 6. In addition, Lessee may make such other Improvements to the Railcars as Lessee may deem desirable but only to the extent that (i) in the case of Severable Improvements, such Severable Improvements are readily removable without causing damage to the Railcars and without impairing its commercial value

(determined as if such Improvements had not been made) beyond a deminimis extent and (ii) in the case of Nonseverable Improvements, such Nonseverable Improvements do not diminish the Railcars' Fair Market Sale Value, remaining expected useful life, productive capacity, residual value or utility.

(b) Title; Removal of Severable Improvements. Title to each Nonseverable Improvement shall, without further act, vest in Lessor. Title to each Severable Improvement shall, without further act, vest or remain, as the case may be, in Lessee, and, provided no Default described in Section 13(a), (b) or (f) or Event of Default shall then have occurred and be continuing, Lessee at its own expense and risk shall have the right to remove any Severable Improvement to which Lessee has title from the Railcars at any time during or at the expiration of the Lease Term. Any Severable Improvement not so removed at the expiration of the Lease Term shall become the property of Lessor free and clear of all rights of Lessee, without further act provided however, at the expiration of the Lease Term, Lessor shall have the right, upon written notice to Lessee and at Lessee's risk and expense, to require Lessee to remove any Severable Improvement made to any Railcar by or on behalf of Lessee.

(c) Removal of Property; Replacements. Lessee may, in the ordinary course of maintenance or repair of any Railcar remove any item of property constituting a part of such Railcar, and unless the removal of such item is required by Section 6, Lessee shall replace such item as promptly as possible by an item of property that is free and clear of all liens, encumbrances and rights of any Person (other than Permitted Encumbrances) and in as good operating condition as, and with a value, utility and useful life at least equal to, the item of property being replaced. Any item of property removed from such Railcar as provided in the preceding sentence shall remain the property of Lessor free and clear of all rights of Lessee until replaced in accordance with the terms of the preceding sentence, but shall then, without further act, become the property of Lessee. Any such replacement property shall, without further act, become the property of Lessor and be deemed part of such Railcar for all purposes hereof.

(d) Identification Marks. Lessee shall (i) cause, as soon as practicable after a given Railcar becomes subject to the terms of this Lease, such Railcar to be kept numbered with the identifying number set forth in Schedule 1 to the Lease Supplement executed and delivered on the Closing Date relating to such Railcar and (ii) keep and maintain, as soon as practicable after such Railcar becomes subject to the terms of this Lease, plainly, distinctly, permanently and conspicuously marked on both sides of such Railcar in letters not less than one inch in height, the words "Subject to a lease agreement filed with the Interstate Commerce Commission" or other appropriate words designated by Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by Applicable Law in order to protect the title of Lessor and the rights of Lessor under the Operative Documents. Lessee will not place any such Railcar in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace

promptly any such word or words which may be removed, defaced, obliterated or destroyed. Lessee will not permit the identifying number of any Railcar to be changed except in accordance with a Lease amendment or statement of new identifying numbers to be substituted therefor, which Lease amendment or statement shall have been previously filed, recorded or deposited with Lessor and in all public offices where this Lease will have been filed, recorded or deposited and Lessee shall provide to Lessor an Opinion of Counsel to that effect and to the further effect that such filing, recordation and deposit will protect Lessor's interests in such Railcar and that no further filing, recording, depositing or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect the interest of Lessor in such Railcar. Lessee shall have the right at its expense to display indication of operation of any Railcar by Lessee or any Affiliate of Lessee and identify such Railcar with such name as Lessee may elect.

(e) Limited Use Property. Notwithstanding any provision of this Section to the contrary, Lessee shall make no modification, alteration, change, substitution or other Improvement to any Railcar, or any part thereof, that would cause such Railcar to become "limited use property" within the meaning of Revenue Procedure 76-30.

SECTION 9. Liens.

(a) Liens. None of Lessee, any sublessee or any other Person shall directly or indirectly have any right, power or authority to create, assume, incur or permit to exist any lien or security interest on or with respect to any Railcar, other than Permitted Encumbrances. Lessee shall notify Lessor promptly of the imposition of any such lien or security interest and shall at its own cost and expense promptly cause the same to be discharged, dismissed or removed, within 30 days after Lessee first has notice of the existence of any lien or security interest; provided, that notwithstanding the foregoing, Lessee shall have the right to contest any such lien or security interest in good faith by appropriate proceedings, diligently prosecuted or appealed so long as such lien or security interest does not involve more than a deminimis risk of sale, for forfeiture or loss of such Railcar and so long as Lessee has, in the reasonable opinion of Lessor, provided adequate security to Lessor securing against any loss, damage or expenses which may result from such security interest or lien.

(b) Release of Liens. In the event that any Railcar shall be attached, levied upon or taken into custody, detained or sequestered, by virtue of any proceeding in any court or tribunal, or by any governmental or other authority on account of any such lien or security interest (other than a Lessor Encumbrance), Lessee shall cause such Railcar to be released and all such liens and security interests to be promptly discharged (except to the extent that the same shall be contested by Lessee in good faith by appropriate proceedings and shall not affect the continued use of such Railcar and Lessee has, in the reasonable opinion of Lessor, provided adequate security to Lessor securing against any loss, damage or expenses which

may result from any such action or such security interest or lien). Lessee shall protect, save and keep harmless Lessor from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature that may be imposed on, incurred by or asserted at any time (whether before, during or after the Lease Term) against Lessor in any way relating to or arising out of any liens or security interests that are not Permitted Encumbrances.

SECTION 10. Insurance.

(a) Lessee shall at all times after the Closing Date, at its own expense, carry and maintain or cause to be carried and maintained: (i) property insurance with respect to each Railcar subject to this Lease; and (ii) public liability insurance with respect to third party personal and property damage, in each case with such deductibles, in such amounts, against such risks, with such insurance companies of recognized responsibility and in any event, in such amounts and against such risks so as to be no less protective than the insurance, if any, maintained by Lessee with respect to similar railcars owned or leased by Lessee. Lessee shall cause each issuer of a policy of insurance under this Section 10(a) to provide the Lessor with an endorsement in form and substance reasonably acceptable to the Lessor, showing loss payable under such policy to Lessor.

(b) Lessee shall cause Lessor or its successor or assign to be named as additional insureds under any property or public liability insurance maintained by Lessee pursuant to Section 10(a).

(c) The proceeds of any insurance for damage to any Railcar not constituting an Event of Loss shall be applied in payment for the repair of such damage to the extent required to maintain such Railcar in accordance with Section 6, if such repair shall not have already been paid for by Lessee, or, if already paid by Lessee, to reimburse Lessee for its payment of such repair and any balance remaining after compliance with said Section 6 shall be paid over to, or retained by, Lessee. The proceeds of any insurance for damage to any Railcar constituting an Event of Loss shall be applied in accordance with Section 11(b).

(d) Lessee agrees that it will not do any act or voluntarily suffer or permit any act to be done whereby any insurance required to be maintained hereunder shall or may be suspended or impaired and will not suffer or permit any Railcar to be used in a manner not permitted under the insurance policies, if any, maintained hereunder without first covering such Railcar for such use.

(e) Lessor may, but shall have no obligation to, at Lessee's expense, provide insurance on or with respect to the Railcars or the operation thereof if Lessee fails to maintain the same and any amounts paid by Lessor for such insurance shall be reimbursed by Lessee to Lessor.

(f) Lessee will arrange to be delivered to Lessor copies of all applicable provisions of any such insurance carried on the Railcars prior to the Closing. By no later than 15 days prior to the expiration of such insurance, the Lessee shall provide the Lessor with an Officer's Certificate setting forth all insurance maintained by Lessee pursuant to this Section and describing such policies, if any, including the amounts of coverage, any deductible amounts, the names of the insurance providers and a general description of each such policy's terms.

SECTION 11. Loss, Requisition or Seizure.

(a) Requisition. A taking of any Railcar for use by any governmental entity shall not terminate this Lease with respect to such Railcar, but Lessee shall remain liable for all its obligations hereunder and under the other Operative Documents with respect to such Railcar, including, without limitation, its liability for payment of Rent, unless and until such taking becomes an Event of Loss hereunder, at which time the provisions of Section 11(b) shall apply. So long as such taking shall not have become an Event of Loss hereunder, all payments received by Lessor or Lessee for use of such Railcar as a result of such taking during the Lease Term shall be paid over to, or retained by, Lessee unless a Default described in Section 13(a), (b) or (f) or an Event of Default shall have occurred and be continuing in which event such payments shall be payable to Lessor, or to whomever shall be entitled to receive the same subject to an accounting between Lessor and Lessee immediately upon the curing of such Default or Event of Default. Provided that no Default described in Section 13(a), (b) or (f) or Event of Default shall have occurred and be continuing, after an Event of Loss with respect to a Railcar, all payments received by Lessor or Lessee for use of such Railcar under this subsection shall be paid over to, or retained by, Lessee if Lessee has either made payment to Lessor for any such Railcar as provided in Section 11(b) or replaced any such Railcar as provided in Section 11(c); otherwise all such payments shall be retained by or paid over to Lessor or to whomever shall be entitled to receive the same subject to an accounting between Lessor and Lessee immediately upon the curing of such Default or Event of Default.

If an Event of Loss would otherwise occur upon the expiration of the Basic Term or any Renewal Term then in effect with respect to the taking or requisition of a Railcar by any governmental entity, prior to the expiration of the twelve month grace period in respect of an Event of Loss due to such taking or requisition, then Lessor shall be entitled to elect by written notice to Lessee within 30 days after the expiration of the Basic Term or the Renewal Term then in effect to accept return of such Railcar on an "as is," "where is" basis, subject to all risk of loss and to such taking or requisition, in lieu of declaration of an Event of Loss in respect of such Railcar. Lessor will use reasonable efforts to notify Lessee of its election prior

to the expiration of the Basic Term or the Renewal Term then in effect if such taking or requisition occurs sufficiently in advance of the expiration of the Basic Term or the Renewal Term then in effect to allow Lessor to evaluate its options, and the taking or requisition, in Lessor's opinion, is reasonably likely to be continuing on such expiration date.

(b) Event of Loss. Subject to the provisions of subsection (c), on the Payment Date next following the date of an Event of Loss (but no later than 90 days after the final Payment Date or no later than 90 days after the redelivery of the Railcars the Lease Term of which has been extended pursuant to Section 2 (c)), Lessee shall pay to Lessor, or to whomever shall be entitled to receive the same, (w) the Stipulated Loss Value for any Railcar in respect of which a Responsible Officer of Lessee shall then have actual knowledge of the occurrence of an Event of Loss for which Stipulated Loss Value has not theretofore been paid, computed as of such Payment Date (or in the case of an Event of Loss with respect to any Railcar for which Stipulated Loss Value has not theretofore been paid or in the event of an extension of the Lease Term pursuant to Section 2 (c), computed as of the final Payment Date), plus (x) if the date the payment of Stipulated Loss Value shall be due shall be other than a Payment Date, an amount equal to interest at the Overdue Rate computed for the period from, and including, the final Payment Date to, but excluding, the date such Stipulated Loss Value shall be paid, plus (y) the Basic Rent payable on such Payment Date, plus (z) all other unpaid Rent for such Railcar accrued to the date of such payment of Stipulated Loss Value due in respect of such Event of Loss. After the payment in full of such Stipulated Loss Value and such other amounts, Lessee's obligation to pay further Basic Rent with respect to such Railcar shall terminate.

All payments received by Lessor or Lessee from any governmental authority or otherwise as compensation for an Event of Loss with respect to any Railcar and either retained by the Lessor or paid over by the Lessee to the Lessor in accordance with this Section shall be applied in reduction of Lessee's obligation to pay the Stipulated Loss Value of such Railcar, if not already paid by Lessee or if already paid by Lessee, shall be applied to reimburse Lessee for its payment of Stipulated Loss Value, and the balance, if any, of such payments shall be shared between Lessee and Lessor as their interests may appear, provided, however that the balance of any such payments constituting insurance payments shall be retained by Lessee. In the event that Lessee shall make payment as provided above, including payment by application of compensation or insurance proceeds and shall pay all other Rent then owing under this Lease with respect to a Railcar subject to an Event of Loss, this Lease shall terminate with respect to such Railcar and Lessee or its designee (i) shall be subrogated to all rights that Lessor shall have with respect to such Railcar, (ii) shall, subject to Lessee's obtaining any governmental consents required, receive assignments and bills of sale from Lessor (in such form as Lessee or such designee shall reasonably require) of any or all such rights, together with all Lessor's right, title and interest in and to such Railcar, free and clear of any Lessor Encumbrances, but otherwise without any representation, recourse or warranty of any character on the part of Lessor, and (iii) shall have the right to abandon such Railcar to underwriters on behalf of Lessor as well as itself. In such case, Lessor shall, at Lessee's

expense, execute or cause to be executed such documents and take such other action as Lessor shall require to effect the surrender to the insurance underwriters of such Railcar. The Lease Term shall terminate with respect to such Railcar upon payment of Stipulated Loss Value and all Rent and interest then owing.

(c) Replacement. Provided no Default described in Section 13(a), (b) or (f) or Event of Default shall have occurred and be continuing, in lieu of payment of all or a portion of the Stipulated Loss Value for any Railcar due and owing as provided in subsection (b), Lessee may, on or prior to the date on which such Stipulated Loss Value would have otherwise been due, convey or cause to be conveyed to Lessor, as replacement for any such Railcar with respect to which an Event of Loss has occurred, title to a Replacement Railcar free and clear of all liens and having a value, utility and useful life at least equal to, and being in as good operating condition as, such Railcar with respect to which an Event of Loss occurred assuming such Railcar was in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss. Prior to, or at the time of any such conveyance, Lessee, at its own expense, will furnish Lessor with a seller bill of sale, in form and substance satisfactory to Lessor, with respect to such Replacement Railcar. Upon full compliance by Lessee with the terms of this subsection as reasonably determined by Lessor, Lessor will transfer to Lessee, on an AS IS, WHERE IS BASIS, without recourse or warranty (except as to the absence of Lessor Encumbrances) and subject to a disclaimer satisfactory to Lessor of all liabilities, including tort and negligence with respect to such Railcar, all of Lessor's right, title and interest, if any, in and to such replaced Railcar with respect to which an Event of Loss occurred. For all purposes hereof, each such Replacement Railcar shall, after such conveyance, be deemed part of the property leased hereunder and shall be deemed a "Railcar" as defined herein. No Event of Loss with respect to a Railcar under the circumstances contemplated by the terms of this subsection shall result in any reduction in Basic Rent. Lessee shall indemnify Lessor against any adverse tax consequences suffered by Lessor as a result of such replacement in accordance with the terms of Section 20.

SECTION 12. Assignment and Sublease.

(a) Assignment by Lessee. If no Event of Default has occurred and is continuing, Lessee may with the prior written consent of Lessor which consent of Lessor shall not be unreasonably withheld (it being understood that the creditworthiness of the assignee shall be considered as a factor in determining the reasonableness of any withholding of consent hereunder), assign all of its rights and obligations under this Lease and the other Operative Documents to any Person at least as creditworthy as Lessee (as determined by Lessor in its reasonable judgment); provided, however, no such consent of Lessor shall be required in the case of an assignment to an Affiliate of Lessee if Lessee remains liable for all its obligations under this Lease and the other Operative Documents to which it is a party to the same extent as if such assignment to such Affiliate had not been made and such Affiliate assumes all of the Lessee's obligations under this Lease and the other Operative Documents pursuant to an

assumption agreement in form and substance reasonably satisfactory to the Lessor. No assignment of this Lease by Lessee shall (except as otherwise agreed to in writing by Lessor) result in Lessee being released from its obligations hereunder. Lessee agrees to give reasonable prior notice to Lessor of any such assignment. Any assignment done in violation of this subsection shall be void.

(b) Sublease. Lessee shall have the right, so long as no Event of Default shall have occurred and be continuing, to enter into a sublease of or interchange arrangement for any Railcar provided that each such sublease shall be expressly subject and subordinate to the terms of this Lease and Lessee shall remain liable for all its obligations under this Lease and the other Operative Documents to which it is a party to the same extent as if such sublease or interchange arrangement were not in effect. No such sublease shall relieve Lessee of its obligations hereunder which shall be and remain those of a principal and not a surety.

(i) To secure payment of the Rent and any other obligations of the Lessee to the Lessor under this Lease or any other Operative Document to which the Lessee is a party, the Lessee hereby grants to the Lessor a security interest in the Lessee's right, title and interest in and to each now existing and hereafter arising sublease, all guarantees, security deposits or other security or collateral provided by a sublessee or other person as security for the sublessee's obligations under a sublease, all other agreements provided by a sublessee or other Person in connection with a sublease (such guarantees, security deposits, other security or collateral and other agreements being the "Related Documents") and all proceeds of any other foregoing (collectively the "Collateral").

(ii) Except as otherwise provided in this Section, Lessee shall continue to collect, at its own expense, all amounts due or to become due to the Lessee under the Collateral. In connection with such collections, the Lessee may take (and, at the Lessor's direction, shall take) such action as the Lessee or the Lessor may deem necessary or advisable to enforce collection of such Collateral; provided, however, that the Lessor shall have the right at any time, after the occurrence and during the continuation of a Default or Event of Default, without any notice to the Lessee of its intention to do so, to notify the sublessees on any such sublease or other obligors with respect to such Collateral of the assignment of such sublease and other Collateral to the Lessor and to direct such sublessee or other obligors to make payment of all amounts due or to become due to the Lessee thereunder directly to the Lessor and, upon such notification and at the expense of the Lessee, to enforce collection of any such amounts and to adjust, settle or compromise the amount or payment thereof in the same manner and to the same extent as the Lessee might have done, but unless and until the Lessor does so or gives the Lessee other instructions, the Lessee shall make all collections for the Lessor. After the Lessor exercises its rights under the preceding sentence and Lessor gives notice to Lessee of such exercise, the Lessee shall immediately deliver all full and partial payments on any Collateral received by the Lessee to the Lessor in their original form, except for endorsements where necessary, to be held

applied against the obligations secured hereby in such order of application as the Lessor may elect. Until such payments are so delivered to the Lessor, such payments shall be held in trust by the Lessee for and as the Lessor' s property, and shall not be commingled with any funds of the Lessee.

(iii) Upon request by the Lessor, the Lessee, at its own cost and expense, shall promptly file an assignment of any sublease, in form and substance satisfactory to the Lessor, in each recording office requested by the Lessor in which notice of this Lease or the sublease has been filed and shall execute, from time to time, such other financing statements and other documents covering the Collateral as the Lessor may reasonable request in order to create, evidence, perfect, maintain or continue its security interest in the Collateral and the Lessee shall pay the cost of filing the same in all public offices in which the Lessor may deem filing to be appropriate.

(iv) After the occurrence of an Event of Default, the Lessee shall not, without the Lessor's prior written consent, (A) enter into any amendment or modification of any sublease or Related Document without the Lessor's prior written consent, (B) decrease the amount of, or delay the due date of, any rent or other amount payable thereunder or with respect thereto, (C) release any collateral or guarantor, knowingly waive any event of default, or (D) permit any assignment by a sublessee.

(c) Assignment by Lessor. Lessor may assign or transfer any or all of its right, title and interest in and to this Lease or any Railcar; provided that any agreement so assigning or transferring any or all of Lessor's right, title and interest shall expressly provide that such assignment or transfer is subject and subordinate to the rights of Lessee hereunder. Prior to executing any such assignment of its rights hereunder, Lessor shall notify Lessee thereof.

SECTION 13. Events of Default. Each of the following events shall constitute an "Event of Default" (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law, pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body or other Applicable Law):

(a) Lessee shall fail to make any payment of Basic Rent or Daily Rent on the date the same shall become due and such failure shall be continuing at the end of the 10th Business Day after such payment shall become due; or

(b) Lessee shall fail to make any payment of Supplemental Rent (or any other payment required hereunder other than Basic Rent and Daily Rent) before the end of the 10th Business Day after Lessee shall have received written demand for such payment from Lessor; or

(c) Lessee shall fail to perform or observe or shall otherwise breach in a material respect any other covenant, condition or agreement to be performed or observed by it hereunder or under any other Operative Document to which it is a party and such failure shall not constitute an Event of Default under any other provision of this Section 13 and such failure shall remain uncured for 30 calendar days after written notice from Lessor of its occurrence; provided, however, that in the case of a cure that cannot be effected by the payment of money and where such failure will not, in the reasonable opinion of Lessor, result in any criminal penalty or material civil penalty for Lessor and will not, in the reasonable opinion of Lessor, have a material adverse effect on the aggregate value of the Railcars then being leased hereunder) the cure period shall be extended for an additional 90 days with respect to any Default so long as the Lessee commences to cure such Default within the original 30 day period and thereafter diligently and continuously is taking action to cure such Default; or

(d) any representation or warranty made by Lessee herein or in any Operative Document or any document or certificate furnished by it to Lessor shall prove at any time to be incorrect as of the date made in any material respect; or

(e) Lessee shall file a voluntary petition in bankruptcy or otherwise seek relief under the provisions of any now existing or future bankruptcy, insolvency or other similar law providing for the liquidation, reorganization or protection of debtors generally; or

(f) a receiver, trustee, liquidator or custodian of Lessee or of a substantial part of its property shall be appointed by court order; or Lessee shall be adjudicated bankrupt or insolvent or any of its properties shall be sequestered by court order; or a petition shall be filed against Lessee under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and shall not be dismissed within 60 days after such filing; or Lessee makes a general assignment for the benefit of its creditors; or Lessee admits in writing its inability to pay its debts generally as they become due, or is unable to pay or is generally not paying its debts as they become due; or

(g) any writ or order of attachment or execution or other legal process being levied on or charged against any Railcar or any Collateral, which writ, order of attachment, execution or other legal process has not been stayed by Lessee; or

(h) the Lessee shall fail to comply with its obligations under Section 10.

SECTION 14. Action Following Event of Default. Upon the occurrence of an Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may, at its option, declare this Lease to be in default (except that no such declaration shall be required in the case of an Event of Default pursuant to subsection (e) or (f) of Section 13); and at any time thereafter, Lessor may do, and Lessee shall comply with, one or more of the following, as Lessor in its sole discretion shall so elect, to the extent permitted by and subject to compliance with, any mandatory requirements of Applicable Law then in effect:

(a) Redelivery and Retaking. Upon written demand, Lessor may cause Lessee, at Lessee's expense, to, and Lessee hereby agrees that it will promptly redeliver the Railcars, or cause the Railcars to be redelivered, to Lessor with all reasonable dispatch and in the same manner and in the same condition as if the Railcars were being redelivered in accordance with all the provisions of Sections 2(c) and 2(d) and all obligations of Lessee under said Sections shall apply to such redelivery, provided, that (i) Basic Rent shall continue to accrue on each Railcar until it is redelivered to a Redelivery Location or into storage, as the case may be, and (ii) Lessor shall have the right to store each such redelivered Railcar on storage tracks selected by Lessee free of charge and at Lessee's risk for a period commencing on the date of the actual delivery thereof to such storage tracks and terminating on a date 180 days after the actual delivery of such Railcar to such storage tracks; or Lessor or its agent, at Lessor's option, without further notice, may, but shall be under no obligation to, retake the Railcars wherever found, and irrespective of whether Lessee, any sublessee or any other Person is in possession of the Railcars or any of them, all without prior demand and without legal process or summary proceedings, and for that purpose Lessor or its agent may enter upon any premises, where any such Railcar is and may take possession thereof, without Lessor or its agent incurring any liability by reason of such retaking, whether for the restoration of damage to property caused by such retaking or for damages of any kind to any Person for or with respect to any cargo carried, or to be carried by such Railcar or for any other reason. The exercise by Lessor of its remedies under this subsection shall be without prejudice, and in addition to any of Lessor's other remedies referred to below in this Section.

(b) Liquidated Damages. Whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any options, rights or remedies under subsection (a) or (c) of this Section, Lessor may, by notice to Lessee specifying a Payment Date which is not earlier than 10 days after the date of such notice, demand that Lessee pay to Lessor and Lessee shall pay to Lessor, on such Payment Date, as liquidated damages for loss of a bargain and not as a penalty, and in lieu of Basic Rent for any Railcar due after such Payment Date, all unpaid Basic Rent for such Railcar payable on each Payment Date occurring on or prior to such Payment Date, plus any Supplemental Rent then due with respect therefor, plus whichever of the following amounts Lessor, in its sole discretion, shall specify in such notice (together with interest on such amount at the Overdue Rate for the period from the Payment Date specified in such notice to the date of actual payment):

(i) an amount equal to the excess, if any, of the Stipulated Loss Value of such Railcar computed as of the Payment Date specified in such notice, over the Fair Market Rent thereof, determined by an Appraiser selected by Lessor, for the remainder of the Lease Term applicable to such Railcar after discounting such Fair Market Rent monthly to present worth as of such Payment Date at an annual rate of 5% or

(ii) an amount equal to the excess, if any, of the Stipulated Loss Value of such Railcar computed as of the Payment Date specified in such notice, over the Fair Market Sale Value thereof, determined by an Appraiser selected by Lessor, as of such Payment Date; provided, however, that if such Railcar cannot be repossessed the Fair Market Rent and the Fair Market Sale Value of such Railcar for purposes of this subsection shall be deemed to be equal to zero.

(c) Sale; Use. Lessor or its agent may sell any Railcar at a public or private sale, by such advertisement or publication, if any, as Lessor may determine, or otherwise may dispose of, hold, use, operate, lease (whether for a period greater or less than the balance of what would have been the Lease Term in the absence of the termination of Lessee's rights to such Railcar) to others or keep idle such Railcar, all on such terms and conditions and at such place or places as Lessor may in its sole discretion determine and all free and clear of any rights of Lessee and of any claim of Lessee in equity, at law or by statute, whether for loss or damage or otherwise, and without any duty to account to Lessee.

(d) Other Remedies. Lessor may exercise any other right or remedy, not inconsistent with the foregoing, that may be available to it under Applicable Law, in equity or proceed by appropriate court action to enforce the terms of this Lease or to recover damages for the breach hereof or to rescind this Lease.

In addition, Lessee shall be liable, on an after-tax basis, for any and all Supplemental Rent payable hereunder before, during or after the exercise of any of the foregoing remedies, which Supplemental Rent shall include all reasonable legal fees and other costs and expenses incurred by Lessor by reason of the occurrence of any Event of Default or by reason of the exercise by Lessor of any remedy hereunder, including, without limitation, any reasonable costs and expenses incurred by Lessor in connection with any retaking of any Railcar or, upon the redelivery or retaking of such Railcar in accordance with this Section, the placing of such Railcar in the condition required by the terms of Sections 2(d) and 6. Except as specifically provided herein, no remedy referred to in this Section is intended to be exclusive, but each shall be cumulative and is in addition to, and may be exercised concurrently with, any other remedy which is referred to in this Section or which may otherwise be available at law, or in equity; provided, however, that liquidated damages having been agreed to by the parties hereto pursuant to subsection (b), Lessor shall not be entitled to recover from Lessee as damages upon the occurrence of one or more Events of Default an amount in excess of such liquidated damages plus any other Rent owing pursuant to the terms of this Lease. There shall be deducted from the aggregate amount so recoverable by Lessor the net balance, if any, remaining of any moneys held by Lessor which would have been required by the terms hereof or any other Operative Agreement to have been paid to Lessee but for the occurrence of an Event of Default. To the extent permitted by applicable law, the rights of Lessor and the obligations of Lessee under this Section shall be effective and enforceable regardless of the pendency of any proceeding which has or might have the effect of preventing Lessor and

Lessee from complying with the terms of this Lease. No express or implied waiver by Lessor of any Event of Default shall in any way be, or be construed to be, a waiver of any further or subsequent Event of Default.

SECTION 15. Notices. All notices, demands, declarations and other communications required under the terms and provisions hereof shall be in writing, and shall be addressed (i) if to Lessee, at its address at 320 East Cherry Street, New Castle, PA 16102, Telecopy: (412) 658-7639, Attention: Gabe Kassab and to its address at 322 East Michigan Street, Suite 275, Milwaukee, WI 53202, Telecopy (414) 273-2507, Attention John Silseth; or (ii) if to Lessor at its address at Two Carlson Parkway, Suite 475, Plymouth, MN 55447. Telecopy: (612) 404-5601, Attention: Gary T. Dreyling; or (iii) at such other address as any party may from time to time designate in writing to the other party referred to in this Section. Notice shall be effective on receipt.

SECTION 16. Further Assurances and Financial and Other Information. (a) Further Assurances; Perfection of Security Interests. Lessee hereby agrees promptly to execute and deliver to Lessor such further documents and assurances and take such further action as the same may from time to time reasonably request in order more effectively to carry out the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder. Lessee will at all times cause to be kept filed, and refiled any required financing and continuation statements and cause to be taken such other action as in the opinion of counsel to Lessor is required by law in order fully to perfect, preserve and protect Lessor's interest in the Railcars. Lessee will pay or cause to be paid all taxes, fees and other charges in connection with such filing and refiling.

(b) Information as to Lessee. Lessee agrees to furnish to Lessor in quantities reasonably requested, the following:

(i) Within 120 days after the end of each fiscal year of Lessee, a consolidated or combined balance sheet of Lessee and its consolidated or combined Affiliates as of the end of the year, and a consolidated or combined statement of income, Shareholders' or Partners' or Members equity, as the case may be, and cash flows of Lessee and its consolidated or combined Affiliates for the year, setting out in each case, in comparative form, the consolidated or combined figures for the previous fiscal year all in reasonable detail, and accompanied by the opinion of independent public accountants selected by Lessee stating that (i) the financial statements were prepared in accordance with generally accepted accounting principles and practices applied (except as otherwise specified in such opinion) and present fairly the financial condition of Lessee and its consolidated or combined Affiliates as of the end of such fiscal year and the results of operations for the

period then ended, and (ii) the audit by such accountants was made in accordance with generally accepted auditing standards;

(ii) If requested in writing by Lessor, within 60 days after the end of each of the first three quarterly periods of each fiscal year of Lessee, a consolidated balance sheet of Lessee and its consolidated Affiliates as of the end of such quarterly period and consolidated statements of income and shareholders' equity of Lessee and its consolidated Affiliates for such quarterly period, setting out in each case, in comparative form, the figures for the corresponding period of the previous fiscal year, all in reasonable detail and certified, subject to changes resulting from year-end audit adjustments, by the principal financial or accounting officer of Lessee; and

(iii) Promptly upon request, such other information relating to Lessee's financial condition, or the Railcars or other Collateral as may reasonably be requested.

SECTION 17. Warranty Enforcement. For so long as no Event of Default has occurred and is continuing, Lessor constitutes Lessee as the agent and attorney-in fact of Lessor for the purpose of exercising and enforcing, and with full right, power and authority to exercise and to enforce, to the exclusion of Lessor and all Persons claiming through or under Lessor, all of the right, title and interest of Lessor in, under and to all manufacturer's warranties in respect of the Railcars. Lessor shall execute and deliver any instruments necessary to enable Lessee to enforce such rights.

SECTION 18. Lessor's Right to Perform for Lessee. If Lessee fails to make any payment of Rent required to be made by it hereunder or fails to perform or comply with any of the terms of this Lease or any of its agreements contained herein or any other Operative Document, Lessor may, on behalf of Lessee and upon notice to Lessee, itself make such payment, perform such agreement or remedy such failure to perform or comply and such payment, performance or remedy of such failure shall be a cure in respect of any Event of Default which has occurred as a result of Lessee's failure to pay such Rent or to perform or comply with such term or agreement, as the case may be. The amount of any such payment and the amount of the reasonable expenses of Lessor incurred in connection with such payment or performance, together with interest thereon, to the extent permitted by applicable law, at the Overdue Rate, shall be deemed Supplemental Rent, payable promptly by Lessee to Lessor upon demand.

SECTION 19. Filings. Prior to the delivery and acceptance of any Railcar, Lessee will, at its sole expense, (i) cause this Lease to be duly filed and recorded with the Surface Transportation Board fka: the ICC in accordance with 49 U.S.C. §11303 of the Interstate Commerce Act and (ii) cause financing statements under the Uniform Commercial Code to be

filed in all places reasonably specified by Lessor as necessary or desirable to perfect Lessor's interest in or under this Lease or to the Railcars. Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, re-register or rerecord whenever required) any and all further instruments required by law or reasonably requested by Lessor or any of its assigns for the purpose of protecting Lessor's title to, or such assignee's security interest in, any Railcar and the Lease, and in connection with any such action, will deliver to Lessor and such assignee proof of such filings. Lessee will pay all costs, charges and expenses incident to any such filing, refiling, recording and rerecording or depositing and redepositing of any such instruments.

SECTION 20. Tax Indemnity. Lessee represents and warrants that: (a) it believes that it is reasonable to estimate that the useful life of the Railcars exceeds the Lease Term by the greater of one (1) year or twenty (20) percent of such estimated useful life, and that said Railcars will have a value at the end of the Basic Term of at least twenty (20) percent of the Aggregate Lessor's Cost of the Railcars, without including in such value any increase or decrease for inflation or deflation during the Basic Term; and (b) the Railcars are, and will be used by Lessee so as to remain, properly eligible for depreciation deductions under Section 167 of the Internal Revenue Code of 1986, as now or hereafter amended (the "Code"), determined in accordance with the provisions of Section 168 of the Code, during the term of the Lease with respect thereto. If Lessor in computing its taxable income or liability for tax, (a) shall either lose, or shall not have, or shall lose the right to claim or there shall be disallowed or recaptured for Federal and/or state income tax purposes, in whole or in part, the benefit of ACRS Deductions; or (b) Lessor shall become liable for additional tax as a result of Lessee having added an attachment or made and alteration to the Railcars which would increase the productivity or capability of the Railcars so as to violate the provisions of Rev. Proc. 75-21, 1975-1 C.B. 715, or Rev Proc. 79-48, 1979-2 C.B. 529 (as either or both may hereafter be modified or superseded); hereinafter referred to as a "Loss"; then Lessee shall pay Lessor the Tax Indemnification Payment as additional rent and Lessor may revise the Schedule(s) of Stipulated Loss Values to reflect the Loss. As used herein, "ACRS Deductions" shall mean the deductions under Section 167 of the Code determined in accordance with the Modified Accelerated Cost Recovery System with respect to the Total Invoice Cost of any item of the Railcars using the accelerated method set forth in Section 168 of the Code as in effect on the date of this Lease; "Lessor" shall be deemed to include the consolidated Federal taxpayer group of which Lessor is a member; and "Tax Indemnification" Payment shall mean such amount as, after consideration of (i) all taxes required to be paid by Lessor in respect of the receipt thereof under the laws of any governmental or taxing authority in the United States, and (ii) the amount of any interest or penalty which may be payable by Lessor in connection with the Loss, shall be required to cause Lessor's after-tax net return (the "Net Return") to be equal to, but no greater than, the Net Return contemplated consistently with current tax laws as of the date of this Lease that would have been available to Lessor had the Loss not occurred.

Lessor shall be responsible for, and shall not be entitled to a Tax Indemnification Payment by Lessee on account of, any Loss arising solely as a direct result of the occurrence of

any one or more of the following events: (a) the failure of Lessor to timely and properly claim ACRS Deductions in the tax return of Lessor other than as a result of changes in the Code or applicable regulations unless in the reasonable opinion of Lessor's tax counsel there is no basis for such claim; or (b) the failure of Lessor to have sufficient taxable income before application of the ACRS Deductions to offset the full amount of such ACRS Deductions other than as a result of change in the Code or applicable regulations; or (c) any event which by the terms of the Lease requires payment by Lessee of the Stipulated Loss Value if such payment is thereafter actually received by Lessor, to the extent that such payment reimburses Lessor for amounts otherwise payable by Lessee pursuant hereto; or (d) a disqualifying disposition due to sale of any of the Railcars or the Lease by Lessor prior to a Default.

Lessor shall promptly notify Lessee in writing of such Loss and Lessee shall pay to Lessor the Tax Indemnification Payment within thirty (30) days of such notice. For these purposes, a Loss shall occur upon the earliest of: (a) the happening of any event (such as disposition or change in use of any item of the Railcars) which will cause such Loss; (b) the payment by Lessor to the Internal Revenue Service or state taxing authority of the tax increase resulting from such Loss; (c) the date on which the Loss is realized by Lessor; or (d) the adjustment of the tax return of Lessor to reflect such Loss.

The obligations of Lessee under this Section, which accrue during the term of the Lease, shall survive the termination of the Lease, but only until the third annual anniversary of such termination.

SECTION 21. Late Charge.

If Lessee fails to pay any Rent or any other sum to be paid by Lessee to Lessor hereunder within ten (10) days after the due date thereof, Lessee shall pay Lessor (a) a service charge of twenty five dollars ($25.00) per month for each month or portion thereof thereafter during which such failure shall continue as compensation for Lessor's internal operating expenses arising as a result of such failure; (b) amounts paid by Lessor to others relevant to the collection thereof, and (c) interest on such unpaid rent or other amount at the rate of eighteen percent (18%) per annum or at such lesser maximum contract rate as may be fixed by law, computed from the date due to the date paid. With further respect to the amounts due under subparagraph (a) of this Section 21 it is understood that only twenty five dollars ($25.00) will be due in any given month notwithstanding the number of rent or other payments which may be more that ten (10) days past due during such month.

SECTION 22. Taxes.

Lessee shall pay as directed by Lessor or reimburse Lessor for all taxes, including but not limited to sales and use taxes (exclusive of federal and state taxes based solely on Lessor's net income, unless such net income taxes are in substitution for or relieve Lessee from any taxes which Lessee would otherwise be obligated to pay under the terms of this paragraph 22), fees, charges

and assessments whatsoever, however designated, whether based on the rent or levied, assessed or imposed upon any Railcar or upon or in respect of the manufacture, purchase, delivery, ownership, possession, leasing, use, return or other disposition of any Railcar, now or hereafter levied, assessed or imposed under the authority of a federal, state or local taxing jurisdiction, regardless of when and by whom payable. Lessor shall prepare and file any and all returns required in connection with the obligations which Lessee has assumed under this paragraph 22, except such filings as Lessor may, at its option, direct Lessee to make. Each party shall upon written request furnish the other a copy of any such filing made or governmental invoice received covering such obligations. For the purposes of this paragraph 22, the term "Lessor" includes the entity or entities, if any, with which Lessor consolidates its tax return.

SECTION 23. Miscellaneous.

(a) Amendments. The terms of this Lease shall not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by the party or parties to be charged.

(b) Successors and Assigns. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

(c) Counterparts. This Lease may be executed by the parties hereto on Counterparts, each of which, when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument .

(d) Severability of Provisions. Any provision of this Lease which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

(e) Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease to be duly executed and delivered by their respective officers thereunto duly authorized.

CLC Equipment Company
(Lessor)
By: _____
Title: V.P.

Kasgro Leasing LLC, a Pennsylvania Limited Liability Company, and Kasgro Rail Corp., a Pennsylvania Corporation, as Co-Lessees
(Lessee)

Kasgro Leasing LLC
By: _____
Title: Vice President

Kasgro Rail Corp.
By: _____
Title: Vice President

STATE of Wisconsin)
: SS.:
COUNTY OF Milwaukee)

On this 22nd day of October, 1999, before me personally appeared John M. Sisson, to me personally known, who, being by me duly sworn, says that he is the Vice President of Kasgro Leasing LLC, a Pennsylvania Limited Liability Company, that said instrument was signed on behalf of said limited liability company by authority of said limited liability company's Board of Governors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

Notary Public

My Commission ~~Expires~~: is permanent

[Notary Seal]

STATE of Wisconsin)
: SS.:
COUNTY OF Milwaukee)

On this 21st day of October, 1999, before me personally appeared John M. Sisson, to me personally known, who, being by me duly sworn, says that he is the Vice President of Kasgro Rail Corp., a Pennsylvania Corporation, that said instrument was signed by authority of said corporation's Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My Commission ~~Expires~~: is permanent

[Notary Seal]

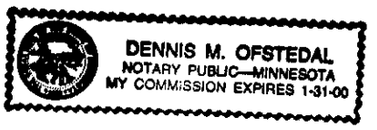
STATE OF Minnesota)
: SS.:
COUNTY OF Hennepin)

On this 22nd day of December, 1999 before me personally appeared Gary T. Dreyling, to me personally known, who, being by me duly sworn, says that he is Vice President of CLC Equipment Company, a Minnesota corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Dennis M. Ofstedal
Notary Public

My Commission Expires:

[Notary Seal]



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ADDENDUM "A"

To LEASE AGREEMENT dated as of December 10, 1999 between CLC Equipment Company as Lessor and Kasgro Leasing LLC and Kasgro Rail Corp., as Co-Lessees, as Lessee with respect to RAILCARS

Civil Indemnity. Lessee assumes liability for and will indemnify, defend, protect, save and keep harmless Lessor from and against any and all liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including court costs and legal expenses, of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor (whether or not also indemnified against by any other person) in any way relating to or arising out of this lease or the manufacture, purchase, ownership, delivery, lease, possession, use operation, condition, return or other disposition of the RAILCARS by Lessor or Lessee, including, without limitation, any claim alleging latent and other defects as to a RAILCAR, whether or not discoverable by Lessor or Lessee, and any claim arising out of strict liability in tort, whether or not in either instance relating to an event occurring during the term of this lease, and any claim for patent, trademark, service mark, or copyright infringement. Lessee agrees to give Lessor and Lessor agrees to give Lessee notice of any claim or liability hereby indemnified against promptly following learning thereof.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease to be duly executed and delivered by their respective officers thereunto duly authorized.

CLC Equipment Company
(Lessor)
By: _____
Title: V.P.

Kasgro Leasing LLC, a Pennsylvania Limited Liability Company, and Kasgro Rail Corp., a Pennsylvania Corporation, as Co-Lessees
(Lessee)

Kasgro Leasing LLC
By: _____
Title: Vice President

Kasgro Rail Corp.
By: _____
Title: Vice President