



RECORDATION NO. 23011 FILED

**CORPORATE HEADQUARTERS**

6860 West Snowville Road  
Suite 110  
Brecksville, Ohio 44141  
(440) 546-7400  
(800) 338-4585  
(440) 546-7406 Fax

JUL 25 '00 10-41 AM

SURFACE TRANSPORTATION BOARD



RECEIVED  
SURFACE TRANSPORTATION BOARD  
JUN 10 2 45 PM '00  
AMERICAN OVERSIGHT  
OFFICE OF THE ATTORNEY GENERAL  
STATE OF OHIO

July 19, 2000

Mr. Vernon Williams  
Surface Transportation Board  
1925 K Street NW  
Washington, DC 20423

Re: Security interest filing for Equipment Schedule No. 001 to Master Lease Agreement No. 24551 dated July 1, 2000 between The Andersons, Inc. and Preferred Capital, Inc.

Dear Mr. Williams,

Please find enclosed two certified copies of Master Equipment Lease No. 24551 dated July 1, 2000 between The Andersons, Inc. as Lessee and Preferred Capital, Inc. as Lessor; Equipment Schedule No. 001 to Master Lease Agreement No. 24551; and Addendum to Master Lease Agreement No. 24551 are true and correct copies of the original.

The Equipment under the Lease consists of ten (10) railcars identified in the separately attached Schedule 1.

Preferred Capital in turn is assigning its interest in the Lease contract and the Equipment to U.S. Bancorp.

The addresses of the parties are as follows:

Preferred Capital, Inc. 6860 West Snowville Road Suite 110 Brecksville, Ohio 44141	The Andersons, Inc. 480 West Dussel Drive Maumee, Ohio 43537	U. S. Bancorp Leasing & Financial 7659 S. W. Mohawk Street Tualatin, Oregon 97062
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I am providing this information in order to perfect a first security interest in the Equipment for financing purposes. Enclosed is a check for \$26.00 for the filing fee.

If you have any questions, please call me at 440-546-7400.

Sincerely,

J. Jeffrey Eakin  
Senior Vice President and Secretary

Michele L. Rayke  
Notary Public, State of Ohio  
Qualified in Summit County  
Commission Expires April 23, 2003

### Schedule 1

<u>New Car Number</u>	<u>Prior Car Number</u>	<u>Year Built</u>	<u>Car Builder</u>	<u>Car Type</u>	<u>Cubic Ft Capacity</u>
AEX 004445	DJJX 3510	71	THRALL	J301	4000
AEX 004446	DJJX 3524	71	THRALL	J302	4000
AEX 004447	DJJX 3534	70	THRALL	J303	4000
AEX 004448	DJJX 3541	70	THRALL	J304	4000
AEX 004449	DJJX 3556	70	THRALL	J305	4000
AEX 004450	DJJX 3563	70	THRALL	J306	4000
AEX 004451	DJJX 3574	70	THRALL	J307	4000
AEX 004452	DJJX 3575	70	THRALL	J308	4000
AEX 004453	DJJX 3578	74	THRALL	J309	4000
AEX 004454	DJJX 3579	71	THRALL	J310	4000

JUL 25 '00 110-41 AM

**SURFACE TRANSPORTATION BOARD**

**MASTER LEASE AGREEMENT**



MASTER LEASE NO. 24551

**LESSOR:** Preferred Capital, Inc.  
6860 West Snowville Road  
Suite 110  
Brecksville, Ohio

DATE: July 1, 2000

**LESSEE:** The Andersons, Inc.  
480 West Dussel Drive  
Maumee, Ohio 43537

**TERMS AND CONDITIONS**

**1. LEASE.**

Lessor leases to Lessee, and Lessee hires from Lessor, all of the tangible personal property (with all present and future accessories, additions, upgrades, attachments, repairs and replacement parts, collectively called "Equipment") described in each equipment schedule executed from time to time pursuant to this Master Lease ("Equipment Schedule"). Each Equipment Schedule shall (a) be on Lessor's form, (b) incorporate all of the terms of this Master Lease, and (c) contain additional terms as Lessor and Lessee agree.

**2. TERM.**

(a) The term of this Master Lease shall begin on the date set forth above and shall continue in effect so long as any Equipment Schedule remains in effect.

(b) The lease term for each Equipment Schedule shall begin on the date of shipment to Lessee of the Equipment (or any part thereof) described in such Equipment Schedule or such later date as Lessor may designate in writing (the "Commencement Date"), and shall continue thereafter for the term set forth in such Equipment Schedule. On the Commencement Date, Lessee shall execute and deliver to Lessor a Delivery and Acceptance Certificate, in a form to be specified by Lessor, which confirms the Commencement Date.

(c) THIS LEASE AND THE LEASE TERM FOR EACH EQUIPMENT SCHEDULE ARE NOT CANCELABLE BY LESSEE.

**3. RENT AND PAYMENT.**

Lessee shall pay Lessor, as rental for the Equipment during each month of the term of any Equipment Schedule, the monthly rent set forth in such Equipment Schedule, which shall be payable in advance without notice or demand on the dates set forth in such Equipment Schedule. Lessee agrees in addition to pay interim rent in an amount equal to the pro rata periodic monthly rent from the Commencement Date to the first regular monthly periodic rent payment date (the "Rent Commencement Date"). Thereafter, the regular periodic rent shall be due on the first day of each succeeding period commencing with the first day of the month following the Commencement Date as set forth on the Equipment Schedule or any other date agreed to by Lessor in writing. Lessee shall pay the monthly rent and all other money due under this Master Lease or any Equipment Schedule by check or wire transfer at Lessor's address set forth above or at such other place as Lessor shall designate in writing, or if to an assignee of Lessor, at such place as such assignee shall designate in writing, and Lessee shall make such payments free and clear of all claims, demands or setoffs against Lessor or such assignee. Whenever any payment (of rent or otherwise) is not received by Lessor within ten (10) calendar days from the date due, Lessee shall pay Lessor a late charge at the lesser of eighteen percent (18%) per annum or the highest lawful rate on such payment until received. Lessor at its option may require at any time that Lessee make all payments due hereunder or under any Equipment Schedule by certified check or by wire transfer.

**4. REQUEST FOR EQUIPMENT.**

Lessee requests Lessor to order the Equipment described in any Equipment Schedule executed by Lessee from the supplier named in such Equipment Schedule, to arrange for delivery to Lessee at Lessee's expense, and to pay for the Equipment as provided in such Equipment Schedule. Lessee acknowledges and agrees that: (a) Lessee has independently selected the supplier and the Equipment, and that Lessor will rely on specifications provided by Lessee in ordering the Equipment; (b) Lessee shall be responsible for all costs and expenses relating to the selection, shipment, delivery, assembly, installation, testing, adjusting, servicing, operation and acceptance of the Equipment; (c) unless the Equipment Schedule otherwise provides, Lessor's payment to the supplier will occur only after Lessee has confirmed (on Lessor's Delivery and Acceptance Certificate) satisfactory delivery, assembly, installation, inspection and acceptance of the Equipment; (d) Lessor shall have no responsibility for any delay, failure or refusal on the part of any supplier to accept or fill Lessor's order; (e) upon Lessee's acceptance of Equipment, Lessee shall execute Lessor's

Delivery and Acceptance Certificate; (f) Lessor has the option to terminate any Equipment Schedule and all obligations to Lessee under such Equipment Schedule, and to recover from Lessee any deposit paid by Lessor to the supplier, if the Equipment described in such Equipment Schedule has not been delivered, assembled, installed and accepted by Lessee within 60 days from the date that Lessor orders the Equipment; (g) no supplier is Lessor's agent or authorized to bind Lessor or waive or alter any provision of this Master Lease or any Equipment Schedule; and (h) if Lessee cancels any Equipment Schedule after execution but prior to the Lessee's execution of the Delivery and Acceptance Certificate, Lessor may withhold and keep any deposits or funds paid by Lessee to Lessor.

**5. EQUIPMENT SELECTION; DISCLAIMER OF WARRANTIES; WAIVERS.**

(a) Lessee acknowledges, represents and warrants that Lessee has made the selection of Equipment based on Lessee's own judgment and expressly disclaims any reliance upon statements made by Lessor or Lessor's agents, employees or salespersons. In this regard, Lessee acknowledges and agrees that this Master Lease and each Equipment Schedule each constitutes a "finance lease" as defined under the Uniform Commercial Code inasmuch as Lessor did not select, manufacture or supply the Equipment, Lessor has acquired or will acquire the Equipment in connection with this Master Lease and the applicable Equipment Schedule, and Lessee has been informed, prior to the execution of the applicable Equipment Schedule, by Lessor in writing, (i) of the identity of the supplier of the Equipment (unless Lessee has directed Lessor to acquire the Equipment from such supplier), (ii) that Lessee may be entitled under the Uniform Commercial Code to the benefits of certain covenants and warranties made by the supplier or any third party in connection with Lessee's acquisition of the Equipment and (iii) that Lessee may communicate directly with such supplier and receive an accurate and complete statement of such covenants and warranties.

(b) LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE CAPACITY, CONDITION, DESIGN, MERCHANTABILITY, PERFORMANCE, QUALITY OR VALUE OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE OR THAT THE EQUIPMENT WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, REGULATION, SPECIFICATION OR CONTRACT, OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND OR NATURE WHATSOEVER WITH RESPECT TO THE EQUIPMENT OR ANY ASSOCIATED ITEM. LESSEE LEASES THE EQUIPMENT "AS IS".

(c) Lessee acknowledges that (i) Lessor is neither the manufacturer of the Equipment nor a manufacturer's agent, supplier or dealer and (ii) Lessor shall have no obligation to assemble, install, test or service the Equipment.

(d) Lessor shall not be liable, to Lessee or otherwise, to any extent whatsoever, for the selection, quality, condition, merchantability, suitability, fitness, operation or performance of the Equipment. Without limiting the generality of the foregoing, Lessor shall not be liable, to Lessee or otherwise, for (i) any liability, claim, loss, damage or expense of any kind or nature (including strict negligent liability in tort) caused, directly or indirectly, by the Equipment or any inadequacy thereof for any purpose, or any deficiency or defect therein, or the use or maintenance thereof, or any repairs, servicing or adjustments thereto, (ii) any delay in providing or failure to provide any part thereof, or any interruption or loss of service thereof, (iii) any loss of business or (iv) any damage whatsoever and howsoever caused.

(e) REGARDLESS OF CAUSE, LESSEE WILL NOT ASSERT ANY CLAIM WHATSOEVER AGAINST LESSOR FOR LOSS OF ANTICIPATORY PROFITS OR ANY OTHER INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT EACH AND EVERY PROVISION OF THIS AGREEMENT THAT PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTIES OR EXCLUSION OF DAMAGES IS INTENDED BY THE PARTIES TO BE SEVERABLE FROM ANY OTHER

**PROVISION AND IS A SEPARABLE AND INDEPENDENT ELEMENT OF RISK ALLOCATION INTENDED TO BE ENFORCED AS SUCH.**

(f) If the Equipment fails to comply with any representation or warranty made by the supplier or manufacturer thereof, or is defective or improperly assembled or installed or otherwise unsatisfactory for any reason, Lessee shall make claim on account thereof against the supplier or manufacturer thereof, and Lessee shall nevertheless pay all rent and perform all other obligations under this Master Lease and all Equipment Schedules without asserting any claim against Lessor. Lessor hereby assigns to Lessee, without recourse and solely for the purpose of prosecuting such a claim, all rights that Lessor may have against the supplier and manufacturer of Equipment for breach of warranty or other representations with respect to the Equipment; provided, however, that this assignment shall not preclude Lessor, in its sole discretion, from asserting and prosecuting such a claim. Lessee shall indemnify and hold Lessor harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred or suffered by Lessor as a result or incident to any such action by Lessee for breach of warranty or other representations with respect to the Equipment.

(g) Lessor makes no representation or warranty as to the treatment of this Master Lease or any Equipment Schedule for tax or accounting purposes or otherwise.

(h) To the full extent permitted by law, Lessee hereby waives its rights and remedies under Article 2A of the Uniform Commercial Code with respect to Lessee's right to cancel any Equipment Schedule, reject any of the Equipment, recover damages or any other rights and remedies provided thereunder in connection with any default by Lessor or any other circumstances therein provided.

**6. TITLE AND ASSIGNMENT.**

(a) Nothing contained in this Master Lease or in any Equipment Schedule shall give or convey to Lessee any right, title or interest in or to the Equipment or any additions, upgrades, accessions or improvements thereto, except as a lessee as set forth in this Master Lease and such Equipment Schedule, and Lessee represents and agrees that Lessee shall hold the Equipment subject and subordinate to the rights of the owner thereof. The Equipment is and at all times shall remain the property of Lessor (or Lessor's successor in interest), and except as expressly set forth in this Master Lease or any Equipment Schedule, Lessee shall have no right, title, equity or interest in the Equipment and no right or option to purchase or otherwise acquire title to or ownership of the Equipment. Lessee shall, at Lessee's sole cost and expense: (i) defend and protect the ownership of, title to, and interest in the Equipment of Lessor, Lessor's successors in interest and any assignee or secured party against all parties claiming against or through Lessee, (ii) keep the Equipment free and clear from any legal process, liens, claims, demands and encumbrances (except those incurred by or in favor of Lessor) and (iii) give Lessor prompt written notice of any legal process, liens, claims, demands and encumbrances made by any party (except Lessor) with respect to the Equipment. Lessee shall reimburse Lessor for its costs and expenses in connection with preparing and filing such financing statements.

(b) Lessee authorizes Lessor to insert in any Equipment Schedule and in any financing statement or other document the serial numbers and other identification data of the Equipment when determined by Lessor. The Equipment is and at all times shall remain rolling stock regardless of any attachment or affixation of the Equipment to any real property or improvements thereon.

(c) LESSEE SHALL NOT, WITHOUT LESSOR'S PRIOR WRITTEN CONSENT, (i) ASSIGN THIS MASTER LEASE OR ANY EQUIPMENT SCHEDULE OR ANY INTEREST HEREIN OR THEREIN, (ii) ENTER INTO ANY SUBLEASE, LOAN OR SIMILAR ARRANGEMENT WITH RESPECT TO THE EQUIPMENT OR (iii) TRANSFER, ASSIGN, CONVEY, ENCUMBER, PLEDGE OR OTHERWISE DISPOSE OF ANY EQUIPMENT OR ANY INTEREST THEREIN. ANY ATTEMPT BY LESSEE TO DO ANY OF THE FOREGOING WITHOUT LESSOR'S PRIOR WRITTEN CONSENT SHALL BE VOID.

(d) Lessee shall keep, maintain and use the Equipment only at the place designated on the Equipment Schedule, and shall not move the Equipment to any other location without the Lessor's prior written consent.

(e) This Master Lease, each Equipment Schedule and any rights of Lessor hereunder and thereunder shall be assignable by Lessor without notice to or the consent of Lessee. Lessee acknowledges and understands that the terms and conditions of each Equipment Schedule have been fixed by Lessor in anticipation of Lessor's ability to sell and assign its interest or grant a security interest under each Equipment Schedule and the Equipment listed therein in whole or in part to a security assignee (the "Secured Party") for the purpose of either (i) assigning Lessee's obligation to pay rent pursuant to such Equipment Schedule (Lessor having transferred the right to receive such rent to the Secured Party) or (ii) securing a loan to Lessor. Lessor may also sell and assign its rights as owner and lessor of the Equipment under any Equipment Schedule to an assignee (the "Assignee"). After any such assignment the term "Lessor" shall mean or include, as the case may be, such Assignee and any Secured Party (collectively "Lessor Transferee"). Lessee acknowledges and agrees that:

(1) Any such Lessor Transferee shall have and be entitled to exercise any and all discretion, rights and powers of Lessor hereunder or under any Equipment Schedule, but such Lessor Transferee shall not be obligated to perform any of Lessor's obligations hereunder or under any Equipment Schedule; provided, however, that such Lessor Transferee shall not disturb Lessee's quiet and peaceful possession of the Equipment and use thereof for its intended purpose

during the terms hereof so long as Lessee is not in default of any provision hereof and such Lessor Transferee continues to timely receive all amounts of rent payable under such Equipment Schedule;

(2) Lessee will pay all rent and any and all other amounts payable by Lessee under any Equipment Schedule to such Lessor Transferee, notwithstanding any defense or claim of whatever nature, whether by reason of breach of such Equipment Schedule or otherwise, which Lessee may or might now or hereafter have as against Lessor or any prior Lessor Transferee;

(3) Subject to and without impairment of Lessee's leasehold rights in and to the Equipment, Lessee holds the Equipment for such Lessor Transferee to the extent of such Lessor Transferee's rights therein; and

(4) Lessor shall execute and deliver such acknowledgments, confirmations and other documents as Lessor or any Lessor Transferee may request from time to time in connection with any such sale or assignment.

**7. NET LEASE; TAXES AND FEES.**

(a) Lessor and Lessee acknowledge and agree that each Equipment Schedule constitutes a net lease, that Lessee's obligation to pay all rent and any and all amounts payable by Lessee under any Equipment Schedule shall be absolute and unconditional and shall not be subject to any abatement, reduction, setoff, defense, counterclaim, interruption, deferment or recoupment for any reason whatsoever and that such payments shall be and continue to be payable in all events.

(b) Lessee shall, at Lessee's sole cost and expense and in addition to the rent due under any Equipment Schedule, promptly pay all taxes, assessments, license fees, permit fees, registration fees, fines, interest, penalties and all other governmental charges (including without limitation income, gross receipts, sales, use, excise, personal property, ad valorem, stamp, documentary and other taxes), whether levied, assessed or imposed on Lessee, Lessor, the Equipment or otherwise, relating to the Equipment or the delivery, leasing, operations, ownership, possession, purchase, registration, rental, sales or use thereof during the term of any Equipment Schedule, or the interest of Lessee in the Equipment or under any Equipment Schedule, or the rental or other payments thereunder or earnings arising therefrom (excepting only taxes on Lessor's net income). Lessee shall file all returns required in connection therewith and shall promptly furnish copies to Lessor. Lessee shall reimburse Lessor for any such taxes paid by Lessor within ten (10) days of receipt of Lessor's invoice therefor. Any applicable sales tax will be paid to the manufacturer, manufacturer's agent, supplier, dealer or appropriate taxing agency by Lessor. Lessee acknowledges that such tax may have been included in calculating lease payments.

**8. CARE, USE, MAINTENANCE AND REPAIR; INSPECTION BY LESSOR.**

(a) Lessee shall, at Lessee's sole expense, at all times during the term of each Equipment Schedule and until return of the Equipment to Lessor, (i) maintain the Equipment in good operating order, repair, condition and appearance and protect the Equipment from deterioration, and provide all accessories, upgrades, repairs, replacement parts and service required therefor, (ii) if required by Lessor, enter into and maintain a maintenance contract with the manufacturer of the Equipment or, with the prior written consent of Lessor, with such other party as shall be acceptable to Lessor, and shall provide Lessor with a copy of such contract and all supplements thereto, (iii) use the Equipment in a careful, proper and lawful manner in accordance with standards, specifications or instructions issued by the manufacturer, (iv) comply with all laws, ordinances, rules, regulations and other requirements relating to the installation, possession, use or maintenance of the Equipment, including the requirements of any applicable insurance policy or warranty and (v) obtain and comply with the requirements of all permits, licenses and agreements relating to the installation, possession, use or maintenance of the Equipment.

(b) Unless Lessor otherwise consents in writing, Lessee shall not (i) part with possession of or control over the Equipment, (ii) permit any party other than Lessee and Lessee's qualified employees to operate the Equipment, (iii) permit any non-qualified party to repair or service the Equipment, (iv) permit the Equipment to be used for personal, family, household or agricultural purposes or (v) make any additions, alterations or improvements to the Equipment other than as required or permitted by the terms of this Master Lease. All repairs, replacement parts, alterations, additions, improvements, upgrades and accessions to any of the Equipment, whether or not any of the foregoing was authorized, required, financed or purchased by Lessor, shall become the property of Lessor.

(c) Upon the request of Lessor, Lessee shall make Lessee's maintenance records pertaining to the Equipment available to Lessor for inspection and will make the Equipment available for inspection under commercially reasonable conditions.

**9. LESSEE'S REPRESENTATIONS AND WARRANTIES.**

Lessee hereby represents, warrants and agrees that, with respect to this Master Lease and each Equipment Schedule:

(a) The execution, delivery and performance thereof by Lessee have been duly authorized by all necessary corporate or partnership action.

(b) Each individual executing such was duly authorized to do so.

(c) This Master Lease and each Equipment Schedule constitute legal, valid and binding agreements of Lessee enforceable in accordance with their terms.

(d) The Equipment is personal property and when subjected to use by Lessee will not become fixtures under applicable law.

(e) During the lease term, Lessee shall deliver, and shall cause all obligors, guarantors and parties whose contracts with Lessee are used as additional collateral under this Master Lease to deliver, to Lessor audited or reviewed financial statements for each of such party's fiscal years, tax returns and unaudited financial statements certified by such party for each of such party's fiscal quarters, consisting of at least a balance sheet, income statement and statement of changes in financial position, prepared in accordance with generally accepted accounting principles. Lessee shall also deliver to Lessor such other information as Lessor may from time to time reasonably request.

(f) The execution, delivery and performance of this Master Lease and each Equipment Schedule will not violate any law or regulation applicable to Lessee, or cause a default under any agreement to which Lessee is a party or is subject.

#### 10. DELIVERY AND RETURN OF EQUIPMENT.

Lessee hereby assumes the full expense of transportation and in-transit insurance to Lessee's premises and installation of the Equipment. Upon termination (by expiration or otherwise) of each Equipment Schedule, Lessee shall, pursuant to Lessor's instructions and at Lessee's expense (including without limitation expenses of transportation and in-transit insurance), return the Equipment to Lessor in the same operating order, repair, condition and appearance as when received, less normal wear and tear. Lessee shall transport the Equipment by means and return the Equipment to Lessor at such address as shall be directed by Lessor provided such address is within 500 miles of Lessee's principal place of business. Lessee shall bear all costs of de-installation, removal and return of the Equipment, including all costs as may be incurred by Lessee or Lessor to service and repair the Equipment and to otherwise put the Equipment in the condition required under this Section 10.

#### 11. INSURANCE.

During the term hereof and until return of the Equipment to Lessor, Lessee shall, at Lessee's expense, (i) maintain full replacement cost insurance covering damage, destruction, loss or theft of the Equipment from any cause whatsoever, (ii) maintain public liability insurance (covering Lessee and its employees and any and all other parties as may have possession of or as may operate any of the Equipment) and property damage insurance in an amount satisfactory to Lessor and (iii) promptly notify Lessor of any actual or alleged damage, destruction, liability, loss or theft relating to the Equipment or the use or operation thereof. All insurance shall be in form, substance and amount satisfactory to Lessor and any Lessor Transferee, shall contain a lender's form endorsement with waiver of breach of warranty clause and shall be issued by insurers acceptable to Lessor, and shall name Lessor or any Lessor Transferee as loss payee with respect to all policies of property insurance and as an additional insured with respect to all policies of liability insurance. Lessee shall obtain endorsements to all such policies of insurance which shall provide that any amendment or cancellation of any such policy shall not be effective unless Lessor shall have been given thirty (30) days' prior written notice of any such intended amendment or cancellation. Lessee shall deliver to Lessor ~~originals or certified copies of such policies or certificates of coverage thereunder.~~ <sup>originals or certified copies</sup> In addition, as collateral security for Lessee's obligations hereunder and under the Equipment Schedules, Lessee hereby assigns, transfers and conveys to Lessor all of Lessee's right, title and interest in and to all of the foregoing policies of insurance and the insurance coverage provided thereunder.

#### 12. RISK OF LOSS.

During the term of each Equipment Schedule, and until return of the Equipment to Lessor, Lessee shall bear all risk of damage, destruction, loss or theft of the Equipment from any cause whatsoever. No damage, destruction, loss or theft of the Equipment or delay in payment or deficiency or absence of insurance proceeds, and no unavailability or delay in obtaining supplies, parts or service for the Equipment or failure of the Equipment to function for any cause whatsoever, shall release Lessee from the obligation to pay rent or any other obligation hereunder. Upon the occurrence of any repairable damage, Lessee shall promptly make such repairs and restore the Equipment to good repair, condition and working order. Upon the occurrence of any irreparable damage, destruction or loss of the Equipment, Lessee shall, at Lessor's option, (i) replace the Equipment with like equipment in good repair, condition and working order with documentation creating clear title thereto in Lessor or (ii) pay Lessor the amounts required under Section 15 of this Master Lease to the same extent as though a default had occurred hereunder. Subject to such conditions as Lessor may require, any insurance proceeds paid to Lessor as a result of any damage, destruction, loss or theft of the Equipment shall be applied to Lessee's obligations hereunder, provided that if the Equipment is not repaired or replaced as provided above, such insurance proceeds shall be applied first to Lessor's expected residual interest in the Equipment. Lessor shall have no obligation to collect or pursue any claim arising from any damage, destruction, loss or theft of the Equipment, including any claim under any applicable insurance policy.

#### 13. INDEMNITY.

Lessee shall, at Lessee's sole cost and expense, indemnify, hold harmless and defend Lessor and its agents, employees, officers and directors, and its successors in interest, from and against any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including attorneys' fees, arising out of, resulting from or relating to the Equipment or the condition, delivery, leasing, location, maintenance, manufacture, operation, ownership, possession, purchase, repair, repossession, return or sale thereof, including without limitation (i) claims involving latent or other defects (whether or not discoverable by Lessee or

Lessor), (ii) claims for trademark, patent or copyright infringement and (iii) claims for injury or death to persons or damage to property or loss of business or anticipatory profits, whether resulting from acts or omissions of Lessee or Lessor or otherwise. Lessee shall give Lessor prompt written notice of any claim or liability covered by this section. The indemnities under this section shall survive the satisfaction of all other obligations of Lessee herein and the termination of this Master Lease or any Equipment Schedule.

#### 14. SECURITY DEPOSIT.

For the purpose of securing all of Lessee's obligations under this Master Lease and each Equipment Schedule, Lessee grants Lessor a security interest in any security deposit described in any Equipment Schedule. Any such security deposit may be commingled with other funds and shall be held without interest to Lessee. Upon default under this Master Lease or any Equipment Schedule, Lessor may, but shall not be obligated to, apply any such security deposit to any obligation of Lessee under this Master Lease or any Equipment Schedule, in which event Lessee shall promptly restore the amount thereof on demand. Upon compliance by Lessee with all terms of this Master Lease and each Equipment Schedule, Lessor shall, at the end of the term of each Equipment Schedule and the return of the Equipment to Lessor as provided herein, refund to Lessee the balance of any security deposit pertaining to such Equipment Schedule.

#### 15. DEFAULT AND REMEDIES.

(a) The occurrences of any one or more of the following events ("Events of Default") shall constitute a default under this Master Lease and any Equipment Schedule: (i) Lessee fails to pay rent or any other amount required under this Master Lease or an Equipment Schedule when due; (ii) Lessee fails to perform any other obligation or observe any other term of this Master Lease or any Equipment Schedule and such failure continues uncured for thirty (30) days after notice thereof by Lessor to Lessee; (iii) any representation or warranty made to Lessor by Lessee or by any guarantor proves to have been false in any material respect when made; (iv) Lessee or any guarantor suffers a material adverse change in its financial condition; (v) there occurs any levy, seizure or attachment of any Equipment which is not cured within sixty (60) days; (vi) proceedings under any bankruptcy, arrangement, reorganization or insolvency law are commenced by or against, or of a receiver or liquidator is appointed for any property of, Lessee or any guarantor if not cured within sixty (60) days; (vii) Lessee, or any direct or indirect subsidiary or affiliate of Lessee, or any direct or indirect owner or party controlling, directly or indirectly, Lessee or any direct or indirect subsidiary or affiliate of Lessee, fails to perform any obligation under any agreement between Lessee or any such subsidiary, affiliate, owner or controlling party, on the one hand, and Lessor, on the other hand; or (viii) there occurs any assignment for the benefit of creditors or bulk transfer of assets by, or insolvency, cessation of business, termination of existence, death or dissolution of, Lessee or any guarantor. As used in this Master Lease, the term "guarantor" shall include any guarantor of this Master Lease or any Equipment Schedule, and any owner of any property given as security for Lessee's obligations hereunder or thereunder.

(b) Upon the occurrence of any one or more Events of Default, Lessor may exercise any one or more of the following remedies without demand or notice to Lessee and without terminating or otherwise affecting Lessee's obligations hereunder: (i) declare the entire balance of rent for the remaining term of this Lease to be immediately due and payable; (ii) require Lessee to assemble the Equipment and make it available to Lessor at a place designated by Lessor provided that such address is within 500 miles of lessee's principal place of business; (iii) take and hold possession of the Equipment and render the Equipment unusable, and for this purpose enter and remove the Equipment from any premises where the same may be located without liability to Lessor for any damage caused thereby; (iv) sell or lease the Equipment or any part thereof at public or private sale for cash, on credit or otherwise, with or without representations or warranties, and upon such terms as shall be acceptable to Lessor; (v) use and occupy the premises of Lessee for the purpose of taking, holding, reconditioning, displaying, selling or leasing the Equipment, without cost to Lessor or liability to Lessor; (vi) demand, sue for and recover from Lessee the sum of (A) all rent and other amounts due hereunder, plus, as liquidated damages for loss of a bargain and not as a penalty, and in lieu of any further payments of rent for the Equipment, an amount equal to Lessor's Return for such Equipment ("Lessor's Return" shall mean, if the applicable Equipment Schedule provides for Stipulated Loss Values, the applicable Stipulated Loss Value, and, otherwise, the present value, discounted at the rate of five percent (5%) per annum, of all unpaid rent payments to become due during the remaining lease term, plus the present value, discounted at the rate of five percent (5%) per annum, of Lessor's originally estimated residual value at the end of the term of the Equipment Schedule; (B) all late charges provided in this Master Lease or any Equipment Schedule; (C) all expenses, including reasonable attorneys' fees, of Lessor or any Lessor Transferee incurred in enforcing any of their rights under this Master Lease or any Equipment Schedule, including the taking, holding, reconditioning, preparing for sale or lease, and selling or leasing of the Equipment; (D) all other expenses, including reasonable attorneys' fees, incurred by Lessor or any Lessor Transferee incurred in enforcing any of their rights under this Master Lease or any Equipment Schedule; (E) any actual or anticipated loss in tax benefits to Lessor (as determined by Lessor) resulting from the default or Lessor's repossession or disposition of the Equipment; and (F) any other amounts payable by Lessee to Lessor under this Master Lease or any Equipment Schedule or damages suffered by Lessor not otherwise compensated herein, including without limitation damages arising from Lessee's failure to maintain the Equipment as provided herein. Any sale or lease of the Equipment by Lessor after default shall be free and clear of any interest of Lessee. All funds in excess owing to Lessor shall be returned to Lessee.

(c) The rights and remedies of Lessor hereunder are in addition to all other rights and remedies provided by law. All of Lessor's rights and remedies are cumulative and not exclusive, and may be exercised separately or concurrently and in such order and manner as Lessor may determine. The exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. No default by Lessee or action by Lessor shall result in a termination of this Master Lease or any Equipment Schedule unless Lessor so notifies Lessee in writing, and no termination of this Master Lease or any Equipment Schedule shall release or impair any of Lessee's obligations hereunder or thereunder.

**16. COSTS AND EXPENSES.**

Lessee shall pay to Lessor, on demand, all reasonable costs and expenses incurred by Lessor in connection with the execution, delivery, administration and enforcement of this Master Lease, any Equipment Schedule, the transactions contemplated hereby and thereby, and any costs and expenses related hereto or thereto, including without limitation filing fees, registration fees, attorneys' fees and other out-of-pocket expenses.

**17. PERFORMANCE BY LESSOR.**

If Lessee shall fail to perform any obligation under this Master Lease or any Equipment Schedule, Lessor shall have the right, but shall not be obligated, with or without prior notice to Lessee, to perform the same (or, in the case of Lessee's failure to maintain insurance, Lessor may obtain insurance protecting the interest of Lessor only), and the costs thereof, together with interest at the lesser of eighteen percent (18%) per annum or the highest lawful rate, shall be immediately payable by Lessee as additional rent for the Equipment.

**18. FURTHER ASSURANCES.**

Lessee shall, at its sole cost and expense, execute and deliver such financial statements, certificates of title and other related documents and take such action as Lessor or any Lessor Transferee may from time to time request for the purpose of continuing and assuring the rights intended to be created by this Lease or any Equipment Schedule, including without limitation any re-documentation of errors and omissions of this Master Lease and any Equipment Schedule required by any Lessor Transferee or other successor to any interest of Lessor.

**19. TAX INDEMNITY.**

The Master Lease has been entered into on the basis that Lessor, as owner of the Equipment, shall be entitled to such deductions, credits and other benefits as are provided by federal and state income tax laws and the regulations thereunder to an owner of property (the "Benefits," including without limitation any tax credit or deduction for cost recovery, depreciation or interest with respect to the Equipment). If Lessor, or any company consolidated with Lessor for tax purposes, shall lose or have deferred any Benefits or shall not have the right or shall lose the right to claim, or there shall be disallowed or recaptured any portion of the Benefits with respect to the Equipment as a result of any acts or omissions by Lessee, the inaccuracy of any representation or warranty of Lessee hereunder or in any certificate of Lessee, or any failure of Lessee to act in accordance with the terms of the Master Lease, Lessee shall indemnify Lessor by payment, at Lessor's election, of either (a) additional rent to Lessor during the remaining period of the lease term in an amount necessary, after deduction of all taxes required to be paid by Lessor to permit Lessor to receive (on an after-tax basis over the full term of the Lease) the same rate of return that Lessor would have realized had there not been a loss or disallowance of such Benefits, together with the amount of any interest or penalties which may be assessed by governmental authorities with respect to such loss or disallowance or (b) a lump sum payable on demand to Lessor which shall be equal to the amount necessary, after deduction of all taxes required to be paid by Lessor with respect to the receipt thereof under the laws of any federal, state, local or foreign government or taxing authority, to permit Lessor to receive (on an after-tax basis over the full term of the Master Lease) the same rate of return that Lessor would have realized had there not been a loss or disallowance of the Benefits, together with the amount of any interest or penalties which may be assessed by the government authorities with respect to such loss or disallowance. The indemnities under this section shall survive the satisfaction of all other obligations of Lessee herein and the termination of this Master Lease and any Equipment Schedule.

**20. NOTICES.**

All notices, demands, requests and other communications under this Master Lease and any Equipment Schedule (a) shall be in writing, (b) shall be delivered personally or by first class mail addressed to the party at its respective address set forth herein or such other address as such party may designate from time to time in writing and (c) shall be effective when personally delivered or deposited in the United States mail, duly addressed with postage prepaid.

**21. GOVERNING LAW; JURISDICTION; WAIVER OF JURY TRIAL.**

LESSEE WARRANTS, REPRESENTS AND AGREES THAT (a) THIS MASTER LEASE AND ANY EQUIPMENT SCHEDULE HAVE BEEN MADE AND ENTERED INTO AS OHIO TRANSACTIONS, (b) THIS MASTER LEASE AND ANY EQUIPMENT SCHEDULE SHALL BE CONSTRUED, INTERPRETED, GOVERNED AND ENFORCED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS (WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS) OF THE STATE OF OHIO AND (c) JURISDICTION TO HEAR AND DECIDE ANY CASE OR CONTROVERSY ARISING OUT OF, OR TO ENFORCE OR CONSTRUE, THIS MASTER LEASE OR ANY EQUIPMENT SCHEDULE SHALL EXCLUSIVELY RESIDE AND VEST IN THE STATE AND FEDERAL COURTS LOCATED IN THE

NORTHERN DISTRICT OF OHIO. LESSOR AND LESSEE HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS LEASE OR THE CONDUCT OF THE RELATIONSHIP BETWEEN LESSOR AND LESSEE.

**22. MISCELLANEOUS.**

This Master Lease, any Equipment Schedule and any other documents executed herewith or therewith constitute the entire agreement with respect to the subject matter hereof. No oral agreement, representation or warranty shall be binding. Any provision of this Master Lease which is invalid or unenforceable under applicable law shall not affect the remaining provisions hereof, and to this end the provisions hereof are declared to be severable. Section headings are for convenience of reference only and shall not affect the interpretation hereof. If more than one Lessee is named herein, the liability of each shall be joint and several. Where appropriate and the context permits, the singular shall include the plural and vice versa. Upon assignment of this Master Lease or any Equipment Schedule or Equipment (or any part hereof or thereof or any interest herein or therein) by Lessor, the term "Lessor" shall include the Assignee. Time is of the essence of this Master Lease and any Equipment Schedule.

**23. WAIVER AND AMENDMENT.**

No waiver or amendment of this Master Lease or any Equipment Schedule, or any provision hereof or thereof, shall be effective unless in writing signed by Lessor. No delay or failure to exercise any right, power or remedy accruing to Lessor upon any default of Lessee shall impair any such right, power or remedy, nor shall it be construed as a waiver of any such default, or an acquiescence therein, or in any similar default thereafter occurring, nor shall any waiver of any single default be deemed a waiver of any other default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of Lessor must be in writing and shall be effective only to the extent specifically set forth therein.

THIS MASTER LEASE AND ANY EQUIPMENT SCHEDULE ARE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH HEREIN. LESSEE ACKNOWLEDGES RECEIPT OF A COPY OF THIS MASTER LEASE. THIS MASTER LEASE AND ANY EQUIPMENT SCHEDULE SHALL BECOME EFFECTIVE ONLY UPON WRITTEN ACCEPTANCE BY LESSOR.

LESSEE:

THE ANDERSONS, INC.

By: Richard P. Bond

Title: Assistant Treasurer

Date signed: 7-12-00

LESSOR:

PREFERRED CAPITAL, INC.

By: J. J. J. Eck

Title: SENIOR VICE PRESIDENT

Date accepted: 7/17/00

[MastLse.doc—6/29/97]

**EQUIPMENT SCHEDULE NO. 001**  
**TO**  
**MASTER LEASE AGREEMENT NO. 24551**  
**("Master Lease")**

**LESSOR:** Preferred Capital, Inc.

**LESSEE:** The Andersons, Inc.

**DATE OF MASTER LEASE:** July 1, 2000

**DATE OF EQUIPMENT SCHEDULE:** July 1, 2000

**LEASE TERM:** 73 full calendar months

**COMMENCEMENT DATE:** July 1, 2000

**RENT COMMENCEMENT DATE:** July 1, 2000

**MONTHLY RENT:** \$3,811.16

**SALES/USE TAX:** Direct Pay Exemption

**EQUIPMENT:** Refer to the attached Exhibit "A" which by this reference is made a part hereof.

**EQUIPMENT LOCATION:**

**MASTER LEASE:**

This Equipment Schedule is issued pursuant to the Master Lease. All of the terms, conditions representations and warranties of the Master Lease are hereby incorporated by reference herein and made a part hereof as if they were expressly set forth in this Equipment Schedule, and this Equipment Schedule constitutes a separate lease with respect to the Equipment described herein. The parties hereby reaffirm all of the terms, conditions, representations and warranties of the Master Lease except as modified herein, by their execution and delivery of this Equipment Schedule.

So long as no Default or Event of Default shall have occurred and be continuing and Lessee shall have given Lessor at least ninety (90) days but not more than one hundred eighty (180) days prior written notice to Lessor, Lessee shall have the option (the "Purchase Option") to purchase all, but not less than all, Items of Equipment on the Base Term Expiration Date at a price (the "Purchase Option Price") equal to twenty eight and eighty four one hundredths percent ( 28.84%) of the Total Cost of the Equipment. Payment of the Purchase Option Price, applicable sales taxes, together with all other amounts due and owing by Lessee under the Lease (including, without limitation, Rent) on or before the Base Term Expiration Date, shall be made on the Base Term Expiration Date in immediately available funds against delivery of a bill of sale transferring to Lessee all right, title and interest of Lessor in and to the Equipment ON AN "AS IS" "WHERE IS" BASIS, WITHOUT ANY. WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE CONDITION OF THE EQUIPMENT, IS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE. LESSOR MAY SPECIFICALLY DISCLAIM ANY SUCH REPRESENTATIONS AND WARRANTIES.

If the Purchase Option is not exercised or consummated for any reason, then (i) the Term of the Lease shall be automatically renewed for an additional, non-cancelable period of twelve (12) months (the "Renewal Lease Term"), and (ii) Lessee hereby agrees to pay Rent for the Equipment throughout the Renewal Lease Term in twelve (12) consecutive monthly installments payable in advance commencing on the Base Term Expiration Date and on the same day each month thereafter. Each such installment of Rent during the Renewal Lease Term shall be in an amount equal to the fair market value for such term; provided, however, in no event shall the present value of the monthly rentals during such Renewal Lease Term ( when discounted at a rate based upon the rate of coterminous U. S. Treasury Notes plus 325 basis points at the time) be less than 28.84% of the original equipment cost.

PREFERRED CAPITAL, INC., LESSOR

By: J. Jeffrey Eakin  
Title: Senior Vice President  
Print Name: J. Jeffrey Eakin

THE ANDERSONS, INC., LESSEE

By: Nicholas C. Conrad  
Title: Assistant Treasurer  
Print Name: Nicholas C. Conrad

This is counterpart # 1 of 1 serially numbered, manually executed counterparts. To the extent that this document constitutes chattel paper, no security interest in this document may be created through the transfer and possession of any counterpart other than counterpart #1.

EXHIBIT A  
TO  
EQUIPMENT SCHEDULE NO. 001

Ten (10) Thrall 46' plate B open top hopper cars, 4000 cubic foot capacity. car numbers:

AEX 004445	AEX 004446
AEX 004447	AEX 004448
AEX 004449	AEX 004450
AEX 004451	AEX 004452
AEX 004453	AEX 004454

TOGETHER WITH ALL PARTS, ACCESSORIES, ATTACHMENTS, ACCESSIONS, ADDITIONS,  
REPLACEMENTS, AND SUBSTITUTIONS THERETO AND THEREFOR.

The Andersons, Inc. LESSEE

By: Nicholas C. Conrad

Title: Assistant Treasurer

Print Name: Nicholas C. Conrad

**ADDENDUM  
TO  
MASTER LEASE AGREEMENT NO. 24551  
(Permission to lease Equipment to third parties)  
(Non-notification)**

In consideration of Preferred Capital, Inc. ("Lessor") entering into the above referenced Master Lease Agreement dated July 1, 2000 (the "Agreement") with The Andersons, Inc. ("Lessee"), the undersigned agree that:

In accordance with section 6C of the Master Lease and so long as Lessee is not in default under the Agreement, Lessee, as Lessor, may lease all or part of the Equipment in the regular course of its business at its usual rentals to one or more bona fide third party users, hereinafter called "~~Lessee~~". <sup>Sub</sup> Lessee shall notify Lessor in writing of any such leasing and shall provide Lessor with a full identification of the Equipment leased, ~~the Lessee~~ <sup>the</sup> location of the Equipment on a semi-annual basis through the term of the Agreement. <sub>acc WE</sub>

The consent to lease the Equipment contained herein shall in no way be construed as a consent to further assign, dispose or otherwise hypothecate the Equipment without Lessor's prior written consent.

For the purposes of this addendum sections 6d, 8b(i), and 8b(ii) of the Master Lease do not apply.

The consent to lease the Equipment contained herein does not and shall not release or discharge Lessee from any liability under the Agreement and Lessee shall be and remain solely liable and responsible for the full performance and observation of all of the provisions, covenants, terms and conditions set forth in the Agreement and herein. Lessee agrees that it shall continue to remit all loan payments and other sums and shall direct all notices, reports, requests or other correspondence required by or relating to the Agreement to Lessor. Lessee agrees that the contemplated lease of the Equipment shall not, and is not intended to, disturb the relationship between Lessor and Lessee as it existed prior to the lease of the Equipment.

The rental period for each such Lease agreement (the "Lease") shall not be longer than the period specified as the lease term in the Agreement. The lease ~~shall~~ <sup>is</sup> to Weingold is approved by Lessor. <sub>acc WE</sub>

Each Lease shall contain the following provisions:

"Any provision hereof to the contrary notwithstanding, in the event that the Equipment leased by Lessor to Lessee under this Lease is subject to a security interest of a lender ("Lender"), the lease and the grant of any rights and privileges to the Lessee hereunder, are hereby made subject and subordinate to the right, title and interest of the Lender. Accordingly, Lessee acknowledges the collateral assignment of the Lease to Lender and further agrees and acknowledges that after Lessor's default under its agreement with Lender, Lender may, at its option (1) require Lessee to remit all rental payments and other sums due under this Lease directly to Lender or (2) terminate this Lease. Lessee agrees to accept and to be unconditionally bound by any and all notices received by it from Lender, even upon counter notice by Lessor. Any conflict between any provisions herein or in any amendment hereto, shall be resolved in favor of the agreement between Lessor and Lender."

Lessee agrees, whenever requested by Lessor, to immediately deliver to Lessor all Leases and other evidence of leasing of the Equipment. Each Lessee shall make available, at the request of Lessor, the Equipment for inspection during normal working hours.

As further partial security for all indebtedness existing between Lessee and Lessor, Lessee hereby assigns, transfers, sets over and grants to Lessor a security interest in all of Lessee's right, title and interest in and to any and all present and future Leases of the Equipment and in all rentals and proceeds

due thereunder. In the Event of Default under the Agreement, Lessee agrees that Lessor shall have the right to receive and collect all rentals and other sums payable to or receivable by Lessee, and the right to make all waivers and agreements, to give all notices, consents and releases and to do any and all other things whatsoever which the Lessee is or may be entitled to do under any Lease. Any such determination and notice or notice by Lessor shall be binding upon Lessee, and Lessee irrevocably authorizes, constitutes and appoints Lessor its true and lawful attorney-in-fact coupled with an interest with full power (in the respective name of Lessee or otherwise) to do any and all acts which Lessor is authorized to do under and pursuant to the terms of this Addendum, including without limitation, the power to give notice to each Lessee and endorse any check or other instrument or order in connection herewith. After breach or default by Lessee under the Agreement, Lessee hereby agrees that all proceeds of the Equipment and all Leases of the Equipment, and all evidence of leasing of the Equipment shall be the property of Lessor and if held or received by Lessee, shall be held in trust by Lessee for the use and benefit of Lessor.

So long as Lessee is not in breach of or in default under the Agreement or any other duties or obligations to Lessor, Lessor shall not exercise its rights pursuant to the assignment contained herein.

Except as provided for in the Purchase and Sale Agreement of even date, Lessee hereby agrees to assume liability for, and does hereby agree to indemnify, protect, save and keep harmless Lessor, and its respective successors, assigns, legal representatives, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses or disbursements (including legal fees and expenses) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against Lessor, or any of its respective assigns, legal representatives, agents and servants (whether or not also indemnified against by any other person) in any way relating to or arising out of the Agreement and/or the performance or enforcement of any the terms thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, return, lease, possession, use, condition, operation, sale or other disposition of the Equipment or any accident in connection therewith (including without limitation any defects, whether or not discoverable). All of Lessor's rights and privileges arising from the indemnities contained herein shall survive the expiration or other termination of any Lease contemplated hereby, and said indemnities are expressly made for the benefit of, and shall be enforceable by, Lessor and its respective successors and assigns.

Lessee shall, at all times while the Agreement is in effect, maintain and insure the Equipment or cause it to be maintained and insured, and shall furnish Lessor with appropriate evidence of the insurance coverage carried pursuant to and in accordance with the maintenance and insurance requirements of the Agreement.

Lessee further agrees that at any time and from time to time, upon the request of Lessor, it will promptly and duly execute, deliver, file and record any and all such further instruments and documents as Lessor shall request, in order that Lessor or its assigns shall receive the full benefits of the assignment contained herein and of the rights and powers herein granted.

Lessee hereby represents and warrants that the Equipment, when moved to any new location under any Lease shall continue to be rolling stock under applicable law, and Lessee further agrees that each Lease shall contain a provision whereby Lessee shall represent and warrant same. Lessee shall take all actions which Lessor may request to confirm to Lessor that the Equipment will continue to be free and clear of all liens, charges or encumbrances other than the rights of Lessor under the Agreement and the rights of Lessee under any Lease.

After any breach or default under the Agreement, Lessor may at any time and from time to time, in addition to all remedies available in law and equity, and hereunder, and under the Uniform Commercial Code, sell any or all Leases or evidence of leasing in whole or in part, for cash or otherwise, at public or private sale, and Lessor may purchase same in whole or in part at any public or private sale. Such sale may be held at the same or at different times and places than the sale or other disposition of Equipment, if any, after default under the Agreement and each such sale may be of Equipment and Leases or Equipment or Leases.

Upon payment and satisfaction of Lessee's obligations to Lessor, Lessor's rights pursuant to this Addendum shall automatically terminate.

Except as herein modified and supplemented, the Agreement shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to Master Lease Agreement this 1<sup>st</sup> day of July, 2000

LESSOR: Preferred Capital, Inc.

LESSEE: The Andersons, Inc.

By: J. Jeffrey Eakin  
Name: J. JEFFREY EAKIN  
Title: SENIOR VICE PRESIDENT  
Date: 7/17/00

By: Nicholas C. Conrad  
Name: Nicholas C. Conrad  
Title: Assistant Treasurer  
Date: 7-12-00

addendum.doc



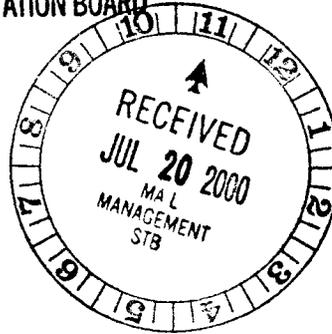
RECORDATION NO. 23011 FILED

CORPORATE HEADQUARTERS

6860 West Snowville Road  
Suite 110  
Brecksville, Ohio 44141  
(440) 546-7400  
(800) 338-4585  
(440) 546-7406 Fax

JUL 25 '00 10-41 AM

SURFACE TRANSPORTATION BOARD



July 19, 2000

Mr. Vernon Williams  
Surface Transportation Board  
1925 K Street NW  
Washington, DC 20423

Re: Master Lease Agreement No. 24551, dated July 1, 2000 between The Andersons, Inc. and Preferred Capital, Inc.

Dear Mr. Williams,

The below signatory of Preferred Capital, Inc. certifies that each of the two attached copies of Master Lease Agreement No. 24551, dated July 1, 2000 between The Andersons, Inc as Lessee and Preferred Capital, Inc. as Lessor; Equipment Schedule No. 001 to Master Lease Agreement No. 24551 and Addendum to Master Lease Agreement No. 24551 are true and correct copies of the original.

Sincerely,

J. Jeffrey Eakin  
Senior Vice President and Secretary

Michele L. Rayke  
Notary Public, State of Ohio  
Qualified in Summit County  
Commission Expires April 23, 2003