

GISLASON & HUNTER LLP

ATTORNEYS AT LAW

NEW ULM MINNEAPOLIS MANKATO MAPLETON DES MOINES

OF COUNSEL
Donald F. Hunter³
James H. Malecki
Ruth Ann Webster

Sidney P. Gislason
(1908-1985)
Robert M. Halvorson
(1945-1993)
C. Allen Dosland
(Retired)

RECORDATION NO. 24681 FILED

NOV 05 '03 9-42 AM October 28, 2003

SURFACE TRANSPORTATION BOARD

Surface Transportation Board
1925 K Street NW
Washington, D.C. 20423



Re: FCS MN Valley -- Trackmobile Lease
Our File No. 24120-290

Dear Secretary:

I have enclosed an original and one copy of the documents described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

These documents are an Equipment Lease Agreement, a primary document, dated January 28, 2003; Exhibit A, Lease Supplement to Equipment Lease Agreement, a secondary document, dated October 1, 2003, and Exhibit B, Acceptance Certificate to Equipment Lease Agreement, a secondary document, dated October 4, 2003.

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

Lessor: Farm Credit Services of Minnesota Valley, 161
County Hwy. 101, P.O. Box 160, Redwood Falls,
MN 56283-0160

Lessee: Meadowland Farmers Cooperative, 101 East First
Avenue, P.O. Box 338, Lamberton, MN 56152

A description of the equipment covered by the documents follows:

One (1) Trackmobile, Model No. 4650TM, Serial No.
LGN978190903

Daniel A. Gislason[†]
C. Thomas Wilson
Marlin R. Kunard
David D. Alsop
Barry G. Vermeer^{1*}
Gary W. Koch^{1,2}
Timothy P. Tobin^{2*}
Roger H. Gross^{*}
David W. Sturges^{††}
R. Stephen Tillitt^{††}
Mark S. Ullery
Jeff C. Braegelmann
Reed H. Glawe¹
Wade R. Wacholz¹
Noel L. Pfifer
Laura L. Myslis¹
Andrew A. Willaert
Daniel A. Beckman
Steven J. Vatndal^{2**}
Michael S. Dove
Dustan J. Cross¹
James R. Gowling¹
Roger L. Kramer²
Loree A. Nelson³
Christopher E. Sandquist
Peter D. Favorite
Sara N. Wilson
Christopher P. Rosengren
Kathleen M. Loucks
Matthew P. Kostolnik
Angela B. Forsythe[†]
Sarah M. Aho
Dan J. Hoehn[†]
J. Vincent Stevens
Anthony Gabor

NEW ULM OFFICE
2700 South Broadway
New Ulm, MN 56073

MAILING ADDRESS
P.O. Box 458
New Ulm, MN 56073-0458

PHONE: 507-354-3111
FAX: 507-354-8447

WEB SITE: www.gislason.com

Also admitted in:

¹ Iowa

² Wisconsin

³ Illinois

⁴ Admitted only in Virginia

⁵ Admitted only in Iowa

^{*} Civil Trial Specialist

^{**} Real Property Law Specialist

certified by the Minnesota

State Bar Association

[†] Qualified ADR Neutral

GISLASON & HUNTER LLP

Page 2

A fee of \$30.00 is enclosed. Please return the originals and any extra copies not needed by the Board for recordation to Dan Hoehn, P.O. Box 458, New Ulm, MN 56073.

A short summary of the documents to appear in the index follows:

Equipment Lease Agreement between Farm Credit Services of Minnesota Valley, 161 County Hwy. 101, P.O. Box 160, Redwood Falls, MN 56283-0160 and Meadowland Farmers Cooperative, 101 East First Avenue, P.O. Box 338, Lamberton, MN 56152, dated January 28, 2003; and

Exhibit A, Lease Supplement to the Equipment Lease Agreement, dated October 1, 2003 and covering one (1) Trackmobile, Model No. 4650TM, Serial No. LGN978190903; and

Exhibit B, Acceptance Certificate to Equipment Lease Agreement, dated October 4, 2003 and covering one (1) Trackmobile, Model No. 4650TM, Serial No. LGN978190903.

Very truly yours,



Dan J. Hoehn
dhoehn@gislason.com

DJH:jmh
Enclosures

cc: Nancy Anderson (w/o enclosures)

NULIB:153102.1



EQUIPMENT LEASE AGREEMENT

DATE: 01-28-2003

RECORDATION No. 24681 FILED

CIF No. 1217983

LESSEE: MEADOWLAND FARMERS COOP.

X BY: Ralph Price NOV 05 '03 X 9-42 AM

Title: Agronomy Manager SURFACE TRANSPORTATION BOARD

X Title: X

Title: Title:

101 E. 1st Ave. / P.O. Box 338 (Lessee Street Address)

Lamberton MN 56152 (City) (State) (ZIP)

LESSOR: Farm Credit Services of Minnesota Valley, PCA

By: Roger B. Reffling Name: Roger B. Reffling Title: Vice President Commercial Finance

THIS AGREEMENT CONTAINS THE TERMS ON THE ATTACHED PAGES

Lessor and Lessee have entered into this Lease and agree to the terms included herein...

As used herein, the singular word "Lessee" applies both individually and collectively to each person, partnership, corporation, or other entity signing below as Lessee.

Lessor is in the business of making loans and leases and providing other services. Lessee desires to have Lessor acquire and lease to Lessee one or more pieces of equipment.

1.0 EQUIPMENT. Equipment refers to all personal property made subject to this Lease as described on a Lease Supplement, and all replacement parts, additions, accessories, substitutes, and repairs incorporated therein and/or affixed thereto, and all proceeds thereof.

Lessee hereby requests Lessor to cause the Equipment which is made subject to this Lease by execution of a Lease Supplement, to be acquired and installed in accordance with the specifications for the Equipment prepared under the direction and approval of Lessee together with any change orders as may be approved by Lessor and Lessee.

disbursement of any such amounts by Lessor, Lessee will approve in writing such disbursement on a form specified by Lessor.

The execution of a Lease Supplement by Lessee will constitute Lessee's agreement that, (1) the specifications for the Equipment described therein have been prepared at the request and direction of Lessee and have been approved by Lessee, and (2) as between Lessee and Lessor, when delivered and/or installed as required, the Equipment will be accepted as satisfactory in all respects by Lessee.

At the time delivery and installation of the Equipment is substantially completed, Lessor will prepare and present to Lessee an Acceptance Certificate, which shall be in substantially the form of Exhibit B hereto (each, an "Acceptance Certificate"), and Lessee shall execute and deliver such Acceptance Certificate to Lessor.

2.0 LEASE PAYMENTS. The Lease Term for all Equipment which is made subject to this Lease shall consist of an interim period ("Interim Period") and a base period ("Base Period").

after the date the Equipment is delivered and operational (which shall not be later than the Outside Base Period Commencement Date, if any, specified in the related Lease Supplement) and shall continue for the period specified in the related Lease Supplement.

Lessee agrees to pay Lessor interim rent ("Interim Rent") for the Equipment, which shall be due and payable on the first day of the Base Period for that Equipment, in an amount calculated on the basis of interest accruing through the first day of the Base Period on the amounts advanced by Lessor during the Interim Period, at a rate determined in the manner provided in the related Lease Supplement. Lessee also agrees to pay base rent ("Base Rent") for the Equipment, which shall be due and payable in the number of payments and at the times specified in the Lease Supplement, each of which shall be in an amount equal to the Total Cost of the Equipment multiplied by the Lease Rate Factor specified in the related Lease Supplement. The payments of Base Rent will be payable in advance or in arrears during the Base Period as specified in the related Lease Supplement.

For this purpose, (a) the "Total Cost" of Equipment means the total cost of acquisition and installation of the Equipment disbursed by the Lessor, and (b) the "Lease Rate Factor" for Equipment shall mean, if the Lessee has elected to lock-in the Lease Rate Factor prior to delivery, the Lease Rate Factor specified in the Lease Supplement, or, if Lessee has not locked in the Lease Rate Factor, a percentage specified by the Lessor in the Acceptance Certificate, which shall be based on the lease rate factor then being offered by the Lessor for leases of similar equipment for similar lease terms and for lessees of similar creditworthiness.

Lessee agrees to pay to Lessor, during the term of this Lease, the Lease payments as specified in this Lease and in the Lease Supplements and Acceptance Certificates relating to this Lease. Payments are to be made at the office of Lessor or such other place as Lessor may from time to time designate in writing on the same day of each and every specified period until the total number of Lease payments have been made. In addition to said Lease payments, Lessee shall pay any sales/use taxes, personal property taxes or other taxes, and all maintenance, insurance and other costs and expenses hereinafter set forth, such payments to be made when due to the person or entity entitled thereto.

Should Lessee fail to pay any part of the Lease payments or any other sum required to be paid to Lessor within 10 days after the due date thereof, Lessee shall pay a late charge of 1.5% per month of any unpaid amount, but only to the extent permitted by law. This Lease cannot be cancelled or terminated except as expressly provided herein.

3.0 PURCHASE OPTION PRICE. Lessee shall have the option of purchasing all, but not less than all, the Equipment described in any Lease Supplement at the expiration of the Base Period for that Equipment as set forth in the related Lease Supplement. The purchase price, assuming all other payments are made, shall be an amount equal to the Total Cost of the Equipment multiplied by the Purchase Option Price as specified in the related Lease Supplement, together with all applicable sales, use or similar taxes, which is a reasonable predictable fair market value. Upon payment of the purchase price, Lessor will transfer the Equipment to Lessee on an "AS IS" basis.

4.0 LEASE TERMINATION. If at the end of the Lease Term for any Equipment or upon other termination of this Lease Lessee chooses not to purchase the Equipment at the Purchase Option Price, Lessor, in its sole and absolute discretion, and upon written notice to Lessee, may:

A. Require Lessee, at Lessee's own risk and expense, to return the Equipment to Lessor at such time and location as

Lessor shall designate, provided, however, if the designated location for return of the Equipment exceeds a 100 mile radius from the location of the Equipment, then Lessor will reimburse Lessee for that portion of the total cost of shipping and insurance which is attributable to shipment beyond the 100 mile radius. If the Equipment is not returned at such time and location as designated by Lessor, Lessee shall pay additional daily Lease payments in an amount equal to the daily equivalent of the Base Rent payments for the Equipment.

B. Remove and take possession of all or any part of the Equipment, wherever it is located. Lessor shall have 120 days after said termination to remove the Equipment. Lessee agrees to permit Lessor to enter the property on which the Equipment is located at all reasonable times for the purpose of removing the Equipment. If for any reason, including action of law or action by Lessee, the ability of Lessor to remove the Equipment is forestalled, Lessor shall not be obligated to remove the Equipment within 120 days after such termination, nor shall Lessor be considered to have abandoned the Equipment.

C. Abandon the Equipment, in which case it shall become the property of Lessee. Upon such abandonment, Lessor shall have no further right, title or obligation to such Equipment, nor shall Lessee have any rights against Lessor to require Lessor to remove such abandoned Equipment.

D. Enter into a written agreement with Lessee that this Lease may be renewed for additional periods of one year each at a rental equivalent to the fair rental value of the Equipment at that time. Lessee shall send written notice to Lessor of Lessee's intent to renew or purchase at least 90 days prior to the expiration of the original or any renewal term.

At the time of its return as provided in A or B above, the Equipment shall be in the same condition as when the Lease began, except for ordinary wear resulting from authorized use of the Equipment as intended by this Lease. Returned Equipment, complete with all original or replacement parts, will meet the following condition requirements: (a) engine, drive trains, transmission and hydraulic system will be sound and meet manufacturer's specifications; (b) no cracks or structural damage; (c) cabs, bodies and fenders will be free from rust or other damage; (d) all glass must be free from cracks or holes; (e) all accessories, components, and wiring must be in normal operating condition; (f) all tires must be matched and have a minimum of 50% tread depth remaining on each tire; (g) will be in good operating condition, and be able to perform the tasks intended by the manufacturer, and will have been used for not more than maximum hours specified in the Lease Supplement. If the Equipment does not meet the above requirements, as determined by Lessor, Lessee agrees to pay to Lessor the estimated costs, as determined by Lessor, of meeting the above requirements.

5.0 DEFAULTS

A. Time is of the essence. The occurrence of any of the following shall constitute a default by Lessee in all Leases outstanding hereunder:

1. Failure to timely pay all or any part or amount due under this Lease.

2. Failure of Lessee to comply with or perform any of the terms and conditions contained herein or in any security agreement, or other written document executed by Lessee in connection herewith.

3. If any Lessee becomes insolvent, becomes the subject of any proceeding under the Bankruptcy Code or any insolvency law, or is given relief under any bankruptcy law, insolvency law or other law providing relief for debtors.

4. If Lessee is in default in any other indebtedness to Lessor, including default under the terms and conditions of any other lease agreement entered into between the Lessor and any party that is a Lessee.

5. If it should appear that Lessee has, at any time before or after the date hereof, given Lessor a materially false financial statement or other financial information, or otherwise made a material misrepresentation of fact in connection with any transaction with Lessor.

6. Without Lessor's prior written consent, Lessee removes, sells, transfers, assigns, parts with possession or sublets all or any part of any Equipment, or creates, incurs or allows to exist any mortgage, lien or other encumbrance on or affecting any part of any Equipment.

7. If Lessee is a corporation or other form of business organization, Lessee merges into or transfers substantially all of its assets to another person or entity, or dissolves or otherwise terminates its existence, without written notification to Lessor prior to the effective date of the change.

B. The occurrence of any default by Lessee shall authorize and permit Lessor to:

1. Demand immediate payment of the entire amount of all remaining unpaid Interim Rent payments and all Base Rent payments due or to become due hereunder, together with all other amounts due or payable hereunder and any other costs incurred by Lessor incurring or enforcing the default.

2. Refuse further leases.

3. Take possession of any or all items of Equipment, without demand or notice, wherever same may be located, without any court order or other process of law. Any such taking of possession shall not constitute a termination of this Lease as to any or all items of Equipment unless Lessor expressly so notifies Lessee in writing.

4. Sell or lease any or all Equipment, in a commercially reasonable manner at public or private sale, or lease at such time or times as Lessor may determine and if notice thereof is required by law, any notice in writing of such sale or lease given by Lessor to Lessee not less than 10 days prior to the date thereof, shall constitute reasonable notice thereof to Lessee; or otherwise dispose of, hold, use, operate, or keep idle such Equipment, all as Lessor, in its sole discretion, may determine and all free and clear of any rights of or any proceeds with respect thereto. If Lessee has not paid all of the sums due Lessor, Lessor may apply any proceeds, net of Default Costs, from the sale or lease of the Equipment against any amounts due Lessor, with such application not relieving Lessee from the obligation of paying any amounts still due Lessor after the application of said proceeds.

5. Recover from Lessee as liquidated damages for loss of bargain and not as a penalty the accrued and unpaid Lease Payments as of the date Lessor obtains possession of the Equipment following Lessee's default ("Default Date"); plus the present value of all future Lease Payments to be paid over the unexpired term of the Lease discounted at a rate equal to 5% per annum, plus any other amounts owing to Lessor under Lease including any indemnity, plus all costs and expenses incurred by Lessor or its agents in any repossession, recovery, storage, repair, sale, lease or other disposition of the Equipment including reasonable attorney's fees and legal expenses in any prejudgment or post judgment actions or bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), costs, and collection costs incurred in connection with or resulting from Lessee's default or enforcement of Lessor's interest in the Lease or Equipment ("Default Costs"), plus the Purchase Option Price of the Equipment, less any amount received by Lessor upon sale or lease of such items of Equipment.

6. Require Lessee to pay to Lessor all Default Costs to the extent permitted by law. In the event Lessor proceeds pursuant to this subsection, Lessor shall use reasonable efforts to dispose of the Equipment on an "AS IS" basis.

7. Proceed against any and/or all security given in connection herewith, under any other documents executed in connection herewith, and under any applicable law.

8. If the default occurs prior to all Equipment being delivered and operational, Lessor may, at its option: 1) cause all Equipment to be delivered, installed and become operational and sell or lease the Equipment as provided above, in which case Lessee shall be obligated to pay Lessor the difference between the net proceeds of such sale or lease and the total amount expended by Lessor with respect to the Equipment plus all Interim Rent due and payable; or 2) discontinue delivery and/or installation of the Equipment, in which case Lessee shall be obligated to pay Lessor the total amount expended or incurred by Lessor with respect to the Equipment plus all Interim Rent due and payable, and upon payment of such amount, the Equipment shall be reconveyed to Lessee without warranty.

9. Terminate or cancel this Lease as to any or all of the Equipment, without any prejudice to any other remedies of Lessor.

10. Exercise any other right or remedy which may be available to it under the Uniform Commercial Code or any other applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to rescind this Lease as to any or all Equipment.

Notwithstanding the above, Lessor and Lessee agree that in the event it is adjudged or otherwise determined that following an event of default, Lessor is entitled to the present value of future Lease Payments, the discount rate shall be equal to 5% per annum.

6.0 TAX CONSEQUENCES. LESSOR IS MAKING NO REPRESENTATIONS CONCERNING THE TAX CONSEQUENCES UPON LESSEE OF ANY LEASES BETWEEN LESSOR AND LESSEE. LESSEE ENTERS INTO ANY LEASES BETWEEN LESSOR AND LESSEE BASED ON LESSEE'S OWN DETERMINATION OF THE TAX CONSEQUENCES. LESSEE AGREES TO HOLD LESSOR HARMLESS FROM ANY ADVERSE FEDERAL OR STATE TAX AUDITS OR RULINGS AGAINST LESSEE. IF LESSEE HAS ANY QUESTIONS OR CONCERNS ABOUT THE APPROPRIATE TAX TREATMENT OF ANY LEASES BETWEEN LESSOR AND LESSEE, LESSEE SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE PRIOR TO ENTERING INTO ANY LEASE.

7.0 WARRANTIES. LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER MATTER CONCERNING THE EQUIPMENT. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE OR EXPENSE CAUSED BY THE EQUIPMENT OR BY ANY DEFECT THEREIN, USE OR MAINTENANCE THEREOF, OR SERVICING OR ADJUSTMENT THERETO AND, AS TO LESSOR, LEASES THE EQUIPMENT AS IS.

Lessee represents and warrants that all credit financial and Lessee address information provided to Lessor in connection with this Lease or at any other time is true, correct and complete and Lessee address will not be changed without providing 30 days written notice to Lessor.

8.0 AGREEMENTS BY LESSEE. Lessee acknowledges and agrees:

A. that the Equipment is of a size, design, capacity and manufacture selected by Lessee;

B. that Lessee is satisfied that the Equipment is suitable for its purposes;

C. that Lessor is not a manufacturer or installer of the Equipment, nor is Lessor a dealer in property of such kind;

D. that Lessor has not made and does not hereby make, any representation or warranty or covenant of any kind or character with respect to the Equipment or the design, value, merchantability, fitness, condition, quality of material

or workmanship or conformity of the Equipment to the specifications of any purchase order relating thereto, durability or suitability of the Equipment in any respect or in connection with or for the purposes and uses of Lessee, or any other representation or warranty or covenant of any kind or character, expressed or implied, with respect thereto;

E. that neither the supplier nor any salesman, employee, representative or agent of the supplier is an agent or representative of Lessor, and that none of the above are authorized to waive or alter any term, provision or condition of this Lease, or make any representation or warranty with respect to this Lease or the Equipment;

F. that in executing this Lease, Lessee has relied solely upon the terms, provisions, and conditions contained herein, and any statements made by any representative or agent of the supplier have not been relied upon, and shall not in any way affect Lessee's obligation to pay the Lease payments and otherwise perform as set forth in this Lease;

G. that, if Equipment is not properly installed, does not operate as represented or warranted by the supplier, or is unsatisfactory for any reason, Lessee shall make any claim on account thereof solely against the supplier. As used in this Lease, the term supplier shall mean the selling dealer with respect to the Equipment. Lessor authorizes Lessee, at Lessee's expense, to assert for Lessor's account, during the term of this Lease, so long as no default shall have occurred hereunder, all of Lessor's rights under any warranty on the Equipment. Any warranties made by the manufacturer, builder or supplier of the Equipment are granted and assigned by Lessor to Lessee. Lessor notifies Lessee of Lessee's rights under the supply contracts and that Lessee may contact the vendor for a description of those rights or any warranties. Lessee agrees the Lease is a Finance Lease under Article 2A of the Uniform Commercial Code. Notwithstanding the foregoing, Lessee's obligation to pay the Lease Payments or other costs due under this Lease shall be and are absolute and unconditional; and

H. If Lessee is a corporation, partnership or other form of business organization, the persons executing this Lease and all other documents relating hereto on behalf of Lessee has been duly authorized to do so by all necessary action of its governing body or otherwise.

9.0 LIMITATION ON LESSOR'S LIABILITY. Lessee agrees that Lessor shall have no responsibility or liability (including, without limitation, strict or absolute liability in tort or by statute imposed) to Lessee or any other person with respect to any of the following:

A. loss or damage caused or alleged to be caused directly or indirectly by the Equipment or by any other circumstances in connection therewith;

B. the use, operation or performance of the Equipment or any risks relating thereto;

C. delay in obtaining the Equipment or any interruption of service, loss of business or anticipated profits or consequential damages;

D. delivery, installation, operation servicing, maintenance, repair, improvement or replacement of the Equipment; or

E. any other damages whatsoever and howsoever caused.

10.0 LOCATION AND RIGHT OF INSPECTION. The Equipment shall at all times be located at the location specified in the Lease Supplement relating to the Equipment, except during periods when the Equipment is being used for its intended purpose at other locations, under the direction or control of Lessee, or when the Equipment is being maintained or repaired at the location of Lessee's service providers. Lessor shall at any and all times during business hours have the right to enter into and upon the premises where the Equipment may be located for the purpose of inspecting the same or observing its use. Lessee shall promptly advise Lessor of any circumstances

with respect to location which may in any manner affect Lessor's title to the Equipment.

11.0 ENVIRONMENTAL. Lessee shall at all times have complete and full responsibility for compliance with all local, state and federal environmental laws and occupational safety and health laws in the use, possession, and storage of the Equipment and all hazardous substances or materials used with the Equipment. For purposes of environmental and occupational safety and health laws:

A. Lessee is the owner and operator of the Equipment;

B. Lessor will have no participation in management of the Equipment or its use;

C. Lessee will at all times have complete control over the selection, operation and management of the Equipment;

D. Lessee will have full ownership of and responsibility for all hazardous materials used in connection with or resulting from use of the Equipment, complete responsibility for any hazardous materials from or affecting the Equipment, and complete responsibility for any environmental, health and safety liabilities caused by or related to the Equipment; and

E. Lessee will acquire all applicable permits and licenses under environmental and occupational safety and health laws, and maintain the permits and licenses during the time in which Lessee is leasing the Equipment, and provide to Lessor copies of all of the permits or licenses.

12.0 USE OF EQUIPMENT. Lessee shall use the Equipment carefully and shall comply with the laws, ordinances or regulations relating to the use, operation or maintenance of the Equipment. Lessee shall put the Equipment only to the use contemplated by the manufacturer and Lessor. Lessee shall affix to the Equipment with such language as Lessor may reasonably request, to the effect that such Equipment is owned by Lessor. Lessor is hereby authorized at Lessee's expense to cause this Lease or any statement in respect thereto, showing the interest of Lessor in the Equipment, to be filed or recorded with any governmental office deemed appropriate by Lessor.

13.0 INDEMNITY. Lessee shall indemnify Lessor against, and hold Lessor harmless from any and all claims, actions, damages, costs (including reasonable attorney's fees), obligations, liabilities and liens, violation of environmental laws, (including any of the foregoing arising or imposed without Lessor's fault or negligence, or in connection with latent or other defects, or any claim for patent, trademark or copyright infringement or under the doctrine of "strict liability"), imposed on, incurred by or asserted against Lessor or its successors or assigns, arising out of the manufacture, purchase, lease, possession, operation, condition, return or use of the Equipment, or by operation of law. Lessee shall give Lessor prompt written notice of any matter hereby indemnified against and agrees that upon written request of Lessor, Lessee shall assume full responsibility for the defense of any such claim, action, damage, obligation, liability or lien, but nothing herein shall preclude Lessor from undertaking such defense on its own behalf at the expense of Lessee. This section shall survive termination of this Lease. Lessee further agrees to indemnify Lessor against and to hold Lessor harmless from, any failure on the part of Lessee, or any agent of Lessee, to obtain and maintain insurance as required by the terms of this Lease, including insurance to protect Lessor as a loss payee or additional insured.

14.0 REPAIRS, MAINTENANCE AND ALTERATIONS. Lessee will keep and maintain Equipment in good working order and shall supply and install all replacement parts and accessories when required to maintain the Equipment in good working condition, which parts and accessories shall be and become the sole property of Lessor. Lessee shall follow all manufacturer's recommended maintenance procedures and make available a maintenance history record to Lessor upon request. Lessee shall not, without the prior written consent of Lessor make any alterations,

modifications, additions, subtractions or improvements to the Equipment, but if so authorized by Lessor, any such alterations, modifications, additions, or improvements shall become the property of Lessor and shall be deemed to be a part of the Equipment.

15.0 LICENSING, REGISTRATION AND TAXES. Lessee shall obtain such licensing and registration of the Equipment as is required by federal, state or local law or regulation. As additional rent, Lessee shall pay and discharge when due, all license and registration fees, assessments, sales, use, property and other taxes (excluding any tax measured by Lessor's net income), together with any penalties or interests applicable thereto, now or hereafter imposed by any state, federal or local government upon any item of the Equipment, or the lease payments payable hereunder, whether the same be payable by or assessed to Lessor or Lessee; provided, however, if under law or custom such payments may be made only by Lessor, Lessee shall promptly notify Lessor and shall reimburse Lessor upon demand, for all payments thereof made by Lessor if by law any such registration or license fee or tax is billed to Lessor. Lessee, at its expense, will do any and all things required to be done by Lessor in connection with the licensing or registration procedure and the levy or assessment of any tax, including the billing or payment thereof. Upon request, Lessee shall provide Lessor with proof of payment. Lessee shall obtain licensing and registering of Equipment in Lessor's name unless otherwise directed by Lessor.

16.0 INSURANCE. Lessee, at its sole cost and expense, shall procure and maintain and pay for (a) insurance against the loss or theft of or damage to the Equipment, in such amounts and against such hazards as may be required by Lessor, naming Lessor as a loss payee; and (b) bodily injury liability and property damage liability insurance, naming Lessor as additional insured. All such insurance shall be in the form and amount and with companies satisfactory to Lessor. Lessee shall deliver the policies of insurance or duplicates thereof or certificates of insurance to Lessor. Each insurer shall agree by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor that it will give Lessor 30 days written notice before the policy in question shall be materially altered or canceled. The proceeds of such insurance, at the option of Lessor, shall be applied (a) toward the replacement, restoration or repair of the Equipment; or (b) toward payment of the obligations of Lessee hereunder. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks or drafts for, loss or damage under any such insurance policy. The insurance obtained by Lessor may no cover Lessee's claims related to the Equipment.

17.0 LESSOR'S PAYMENT. In the event Lessee fails to procure, maintain or pay for said insurance or to pay any fees, assessments, charges or taxes, as required herein, Lessor shall have the right, but not be obligated, to obtain such insurance, or pay said fees, assessments, charges and taxes, as the case may be. In that event, Lessee shall reimburse Lessor for the cost thereof upon demand plus 1.5% per month of any unpaid amount, but only to the extent permitted by law, and failure to repay the same shall constitute an event of default hereunder.

18.0 TITLE AND IDENTIFICATION. The parties hereto agree that Lessor is the owner of the Equipment. No right, title or interest in the Equipment shall pass to Lessee other than, conditional upon Lessee's compliance with and fulfillment of the terms and conditions of this Lease, the right to maintain possession and use the Equipment for the full Lease term. Lessee, at its expense, will protect and defend Lessor's title to the Equipment.

19.0 REPAIRS: LOSS AND DAMAGE. Lessee, at its own cost and expense, shall keep all of the Equipment which

are made subject to this Lease in good repair, condition and working order, including but not limited to compliance with all applicable recall orders and shall furnish all parts, mechanisms and devices and servicing required therefor. All such parts, mechanisms and devices shall immediately become the property of Lessor and part of the Equipment for all purposes hereof. If Lessor determines that any item of Equipment is lost, stolen, destroyed, or damaged for any reason, or in the event of any condemnation, confiscation, theft or seizure or requisition of title to or the use of any item of Equipment ("Casualty Occurrence"), Lessee will, at the option of Lessor, either (a) replace the same with like Equipment in good repair or (b) promptly pay to Lessor an amount equal to the Lease payment or payments in respect to each item of Equipment suffering a Casualty Occurrence due and payable prior to the first of the month following the date of notice of Casualty Occurrence, plus a sum equal to the amount determined by the Lessor which will cause the Lessor to realize the same rate of return up to the date of the Casualty Occurrence that the Lessor would have received including residual value if the Lease of the Equipment would have remained in effect for the entire term thereof ("Casualty Loss Value"). As of the date on which said payment is made, the Lease payments for such item of Equipment shall cease to accrue and the term of this Lease as to such item of Equipment shall terminate and (except in case of the loss, theft or complete destruction), Lessor shall be entitled to recover possession of such Equipment. Lessor hereby appoints Lessee as its agent to dispose of any Equipment suffering a Casualty Occurrence at the best place obtaining on an "AS IS" type basis. Lessor shall be entitled to receive and retain any insurance proceeds with respect to such item of Equipment up to the amount of the Casualty Loss Value. Provided an event of default has not occurred, Lessor shall pay over such insurance proceeds to Lessee to the extent such amounts exceed the Casualty Loss Value or the entire proceeds if the Lessee has previously paid the Lessor the Casualty Loss Value. Upon Lessor's receipt of such payment, Lessee shall be entitled to whatever interest Lessee may have in said item of Equipment, in its then condition and location, without warranties, expressed or implied, and this Lease shall terminate with respect to such item of Equipment.

20.0 COLLATERAL SECURITY; SECURITY DEPOSIT. Lessee agrees that any collateral security granted Lessor by Lessee, now or in the future, with respect to obligations, including but not limited to, indebtedness owed by Lessee to Lessor shall also be collateral for all Leases covered hereby.

Lessee agrees "obligations" referred to in Lessor's Security Agreement shall include all obligations pursuant to this Lease.

Lessor may proceed against any or all security, including any security granted to Lessor in Lessor's Security Agreement simultaneously or in any order in the event of default.

If a Security Deposit amount is specified in the Acceptance Certificate, Lessee agrees to pay such amount to Lessor prior to the commencement of the Lease term and Lessee grants to Lessor a Security Interest in Security Deposit. Security Deposit at Lessor's sole option may be applied to Lease Payments, other payments due under this Lease, or Default Costs or if Lessee has fulfilled all terms and conditions herein, the Security Deposit shall be returned to Lessee without interest or it may be applied to any purchase option exercised by Lessee at the expiration of the Lease. Security Deposit will not be kept in a separate interest bearing account except where required by law.

21.0 ASSIGNMENT BY LESSEE/LESSOR. LESSEE SHALL NOT ASSIGN, PLEDGE OR HYPOTHECATE THIS LEASE IN WHOLE OR IN PART, NOR ANY INTEREST THEREIN, NOR SHALL LESSEE SUBLET OR LEND ANY

UNIT OF EQUIPMENT WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR. LESSEE'S INTEREST HEREIN MAY NOT BE ASSIGNED OR TRANSFERRED BY OPERATION OF LAW. CONSENT TO ANY OF THE FOREGOING ACTS SHALL NOT BE DEEMED TO BE CONSENT TO ANY SUBSEQUENT SIMILAR ACT. NOTHING IN THIS LEASE SHALL PREVENT LESSOR FROM ASSIGNING ALL OR ANY PART HEREOF (OR SELLING PARTICIPATION INTERESTS HEREIN) TO ANY OTHER PERSON.

22.0 PERSONAL PROPERTY. The Equipment shall remain personal property regardless of whether it becomes affixed or attached to real property, or permanently rests upon any real property or any improvement thereon. Lessee agrees to execute all such agreements and other documents, and to obtain the execution thereof, in recordable form, by all parties having an interest in any real property to which any of the Equipment is affixed, as Lessor may, from time to time, reasonably request, with respect to the identity of the Equipment as personal property, and Lessee further consents to the recordation of all such agreements and documents.

23.0 OFFSET. Lessee hereby waives any and all existing and future claims and offsets, against any Lease payments or other payments due hereunder, and agrees to pay the Lease payments and other amounts hereunder regardless of any offset or claim which may be asserted by Lessee or on its behalf.

24.0 LESSEE'S WAIVERS. To the extent permitted by applicable law, Lessee hereby waives any and all rights and remedies conferred by Article 2A of the UCC, including but not limited to Lessee's rights to: (i) cancel this Lease; (ii) repudiate this Lease; (iii) reject the Equipment; (iv) revoke acceptance of the Equipment; (v) recover damages from Lessor for any breaches of warranty or for any other reason; (vi) a security interest in the Equipment in Lessee's possession or control for any reason; (vii) deduct all or any part of any claimed damages resulting from Lessor's default, if any, under this Lease; (viii) accept partial delivery of the Equipment; (ix) "cover" by making any purchase or lease of or contract to purchase or lease Equipment in substitution for those due from Lessor; (x) recover any general, special, incidental or consequential damages, for any reason whatsoever; and (xi) specific performance, replevin, detinue, sequestration, claim and delivery or the like for any equipment identified to this Lease. To the extent permitted by applicable law, Lessee also hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise use any Equipment in mitigation of Lessor's damages as set forth in the DEFAULTS and REMEDIES paragraph or which may otherwise limit or modify and of Lessor's rights or remedies under the DEFAULTS and REMEDIES paragraph. Any action by Lessee for any default by Lessor under this Lease, including breach of warranty or indemnity, shall be commenced within one (1) year after any such cause of action accrues.

25.0 MISCELLANEOUS

A. No Waiver, Remedies Cumulative. All remedies afforded in this Lease, any security agreement, or other document given in connection herewith shall be taken and construed as cumulative; that is, in addition to every other remedy provided therein or by law. The failure of Lessor to enforce at any time any of the provisions of any such document, or to exercise any option which is therein provided, or to require at any time performance by Lessee if any of the provisions contained in any such document, shall in no way be construed to be a waiver of such provisions nor in any way to affect the validity of any such agreement or document or any part thereof, or the right of Lessor to thereafter enforce each and every provision contained in such document.

B. Interpretation. Except as specifically provided, the entire agreement of the parties is contained in this Lease, the Lease Supplements, Acceptance Certificates and other documents executed pursuant hereto, and in any security agreements, guarantees, and similar security documents given with reference to leases covered hereby. Such written documents shall supersede all previous verbal or written negotiations, representations, promises, agreements, and communications between the parties hereto. Every right, duty, and obligation contained in or arising under this Lease shall be exercised, enforced, and performed with good faith. Whenever there is more than one Lessee their duties and obligations hereunder are both joint and several.

This Lease and the transactions between the parties hereto shall be governed by the law of the state in which Lessor is located. If any part, term, or provision of this Lease or any other written document given in connection herewith is held by any court to be illegal or in conflict with applicable law, the validity of the remaining portions or provisions shall not be affected. This lease inures to the benefit of Lessor, its successors and assigns and all obligations of Lessee bind its legal representative, heirs, successors and assigns.

C. Financial Records. From the date hereof and so long as any leases under this Lease remain in effect, Lessee will, at its expense, maintain complete and accurate financial books and records for its business in a form satisfactory to Lessor and permit access by Lessor, through its designated agents, to books and records at any reasonable time during regular business hours of Lessee. They shall be retained until all leases from Lessor have been terminated. Lessee further agrees to provide a verifiable balance sheet and income statement to Lessor upon request, along with such other documents as specifically required by and in a form acceptable to Lessor. Lessee warrants the Financial Statements submitted by Lessee are true and correct and are material inducements to the granting of this Lease and any misrepresentation therein or failure to provide upon request by Lessor shall constitute a default.

D. No Commitment. Nothing in this Lease shall commit Lessor to acquire any Equipment or lease any Equipment to Lessee unless and until Lessee and Lessor have both executed the Lease Supplement and Acceptance Certificate with respect to said Equipment.

E. Credit Information. Lessee hereby authorizes any of Lessee's creditors or trade suppliers (past, present and future) to provide to Lessor any information that Lessor may request, including but not limited to, exact account balances and payment history. Lessee agrees to hold creditors and trade suppliers (past, present and future) harmless in relation to any information that they disclose to Lessor.

F. Limited Power of Attorney. Lessee agrees to execute or authenticate any instrument or record necessary for the filing or recording of this Lease and irrevocably authorizes Lessor, and grants Lessor a power or attorney, in its own name or in the name of Lessee, to sign and deliver all financing statements and other documents necessary or desirable to establish, effect, perfect or protect Lessor's interest in all Equipment.

G. Notices and Demands. All notices under this Lease shall be in writing and shall be effective three (3) days after being mailed by certified mail, return receipt requested to the addresses listed herein.

H. Agency. Until Lessor is prospectively notified in writing by Lessee to the contrary, Lessor may rely upon the following: (a) If Lessee is two or more individuals, the act or signature of any one of them shall bind them all; (b) If Lessee is a partnership, each partner is fully authorized to act for the partnership in all matters governed by this Agreement; and (c) If Lessee is a corporation, each officer is fully authorized individually to act for and bind the corporation in all matters governed by this Agreement.



**EXHIBIT A
TO EQUIPMENT LEASE AGREEMENT
LEASE SUPPLEMENT**

DATE: 10-01-2003

Lease No. 455 . 1217983 . 004

LESSEE: MEADOWLAND FARMERS COOP.

X BY: *Gordon Woelfel*
Gordon Woelfel

Title: Chief Financial Officer

X *Gordon Woelfel*

Title: _____

X _____

Title: _____

X _____

Title: _____

101 E. 1ST AVE. / P.O. BOX 338
(Lessee Street Address)

LAMBERTON MN 56152
(City) (State) (ZIP)

LESSOR: FARM CREDIT SERVICES OF MINNESOTA VALLEY

By: *Roger B. Refling*
Name: Roger B. Refling
Title: Vice President Commercial Finance

THIS AGREEMENT CONTAINS THE TERMS ON THE ATTACHED PAGES

THIS LEASE SUPPLEMENT is made for the purpose of making the Equipment identified below subject to the Equipment Lease Agreement dated 01-28-2003 between Lessor and Lessee ("Master Lease"). Lessor and Lessee hereby agree as follows with respect to the lease of the Equipment pursuant to the Master Lease:

1. **The Equipment.** The Equipment described below (or on the attachments hereto) is hereby made subject to the Master Lease.

Quantity (if more than 1)	Year, Make, Model, Description	Supplier No.	COE	Serial Number
1	NEW - TRACKMOBILE - Model #4650TM	1	\$ 239,500.00	LGN978190903
			\$	
			\$	
TOTAL COE:			\$239,500.00	

2. **Supplier/Lessee's Agent.** Supplier's name and address:

(1) HERC-U-LIFT
5655 HWY 12W / P.O. BOX 69
MAPLE PLAIN, MN 55359-0069

(2) _____

3. **Location.** Lessee's residence (registered or main office if Lessee is a corporation or partnership) is located at:

101 E. 1ST AVE., LAMBERTON, MN 56152

If Equipment will not be located at such address, the location will be:

4. **Fixtures.** If equipment is to become affixed to real estate, the legal description of said real estate is:

The name of the record owner of said real estate is:

5. **Base Period.** The Base Period for the Equipment consists of a period of 84 months.

6. **Lease Rate Factor.**

The Lease Rate Factor for the Equipment is .035640.

The Lessee has not locked in the Lease Rate Factor for the Equipment, which will be determined before the beginning of the Base Period pursuant to the Master Lease.

7. **Maximum Cost.** The Lessor's maximum commitment to pay costs for the Equipment is \$ 239,500.00. The estimated total cost of the Equipment is \$ 239,500.00.



**EXHIBIT A
TO EQUIPMENT LEASE AGREEMENT
LEASE SUPPLEMENT**

8. Base Rent Payments. Base Rent Payments shall be payable in advance in 28 quarterly installments. If all payment periods are not equal in length, describe payment schedule:

Fixed Purchase Option

The Purchase Option Price is the amount stated in this paragraph. (This space intentionally left blank.)

9. Interim Rent Calculation. Interim Rent for the Equipment will be calculated on the basis as determined by the Lessor which reasonably compensates Lessor for the time value of amounts advanced by the Lessor during the Interim Period. Interim Rent in the amount of \$ 0.00 is due and payable on the first day of the Base Period.

10. Outside Base Period Commencement Date. The Base Period for the Equipment shall commence no later than 10-01-2003.

11. Purchase Option Price. The Purchase Option Price for the Equipment, Building or Facility, as referenced in the Master Lease, is described below and is calculated based on 20 % of the original cost of equipment or \$ 47,900.00 (Purchase Option Price) plus applicable sales and use taxes. Lessee shall notify Lessor in writing of Lessee's election to exercise such option at least 90 days prior to the Purchase Option Date.

12. Maximum Use. On the date when the Lease Termination paragraph of the Master Lease becomes effective, Lessee agrees to have used the Equipment for not more than the maximum of hours as set forth below, or if Equipment is a vehicle, annual mileage will not exceed the maximum miles as set forth below will be due at termination of the Lease for miles/hours of usage in excess of maximum. For purposes of this agreement, the beginning mileage is as set forth below or the beginning hour usage is as set forth below.

Equipment Description	Max Hours	Max Miles	Excess Cost	Begin Miles	Begin Hours
1 NEW - TRACKMOBILE - Model #4650TM					

13. Tax Indemnity.

Lessor's loss of, or loss of the right to claim, or recapture of, all or any part of the federal or state income tax benefits Lessor anticipated as a result of entering into the lease and owning the Equipment, Building or Facility is referred to herein as a Loss. If for any reason the lease is not a true lease for federal or state income tax purposes, or if for any reason (even though the lease may be a true lease) Lessor is not entitled to depreciate the Equipment, Building or Facility for federal or state income tax purposes in the manner that Lessor anticipated when entering into the lease, and as a result Lessor suffers a Loss, then Lessee agrees to pay Lessor, as additional basic rent, a lump-sum amount which, after the payment of all federal, state, and local income taxes on the receipt of such amount, and using the same assumptions as to tax benefits and other matters Lessor used in originally evaluating and pricing the lease, will in the reasonable opinion of Lessor maintain Lessor's net after-tax rate of return with respect to the lease at the same level it would have been if such Loss has not occurred. The Lessor makes no representation with respect to the income tax consequences of the lease or the Equipment, Building or Facility. Lessor will notify Lessee of any claim that may give rise to indemnity hereunder. Lessor shall make a reasonable effort to contest any such claim but shall have no obligation to contest such claim beyond the administrative level of the Internal Revenue Service or other taxing authority. In any event, Lessor shall control all aspects of any settlement and contest. Lessee agrees to pay reasonable legal fees and other out-of-pocket expenses incurred by Lessor in defending any such claim even if Lessor's defense is successful.

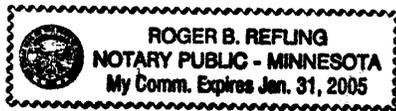
Notwithstanding the foregoing, Lessee shall have no obligation to indemnify Lessor for any Loss caused solely by (a) a Casualty Occurrence to the Equipment, Building or Facility if Lessee pays the amount Lessee is required to pay as a result of such casualty, (b) Lessor's sale of the Equipment, Building or Facility other than on account of an Event of Default hereunder, (c) failure of Lessor have sufficient income to utilize its anticipated tax benefits or to timely claim such tax benefits, and (d) change in tax law (including tax rates) effective after the lease begins. Lessee's indemnity obligations under this paragraph shall survive termination of the lease.

Attachment to:
EXHIBIT A TO EQUIPMENT LEASE AGREEMENT LEASE SUPPLEMENT 004

ACKNOWLEDGEMENTS

STATE OF MINNESOTA)
) ss. (Corporation)
COUNTY OF REDWOOD)

On October 1, 2003, before me personally appeared, Gordon Woelfel, to me personally known, who stated that he is the Chief Financial Officer of Meadowland Farmers Coop., a Minnesota corporation, and is duly authorized to execute the foregoing instrument on behalf of said corporation, and further acknowledged that he had so signed, executed and delivered said foregoing instrument for the consideration and purposes therein mentioned.

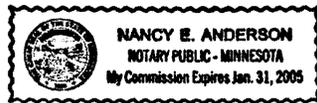


Roger B. Refling
Name: Roger B. Refling
Notary Public, State of MINNESOTA
Commissioned in Redwood County

My commission expires Jan. 31, 2005.

STATE OF MINNESOTA)
) ss. (Corporation)
COUNTY OF REDWOOD)

On October 1, 2003, before me personally appeared, Roger B. Refling, to me personally known, who stated that he is the Vice President Commercial Finance, of Farm Credit Services of Minnesota Valley, PCA, a corporation, and is duly authorized to execute the foregoing instrument on behalf of said corporation, and further acknowledged that he had so signed, executed and delivered said foregoing instrument for the consideration and purposes therein mentioned.



Nancy E. Anderson
Name: Nancy E. Anderson
Notary Public, State of MINNESOTA
Commissioned in Redwood County

My commission expires Jan. 31, 2005.

Drafted By:
Farm Credit Services of Minnesota Valley
P.O. Box 160
Redwood Falls, MN 56283



**Farm Credit Services
of Minnesota Valley**

**EXHIBIT B
TO EQUIPMENT LEASE AGREEMENT
ACCEPTANCE CERTIFICATE**

DATE: 10-04-2003

Lease No. 455 . 1217983 . 004

LESSEE: MEADOWLAND FARMERS COOP.

X BY: *Gordon Woelfel*

Gordon Woelfel

Title: Chief Financial Officer

X _____

Title: _____

X _____

X _____

Title: _____

Title: _____

101 E. 1ST AVE. / P.O. BOX 338

(Lessee Street Address)

LAMBERTON

(City)

MN

(State)

56152

(ZIP)

LESSOR: FARM CREDIT SERVICES OF MINNESOTA VALLE

By: *Roger B. Refling*

Name: Roger B. Refling

Title: Vice President Commercial Finance

THIS ACCEPTANCE CERTIFICATE relates to the Equipment identified in Lease Supplement No. 004 to the Equipment Lease Agreement dated 01-28-2003 between Lessor and Lessee ("Master Lease"). With respect to that Equipment, Lessor has determined that:

1. **Total Cost.** The Total Cost of the Equipment is \$239,500.00.
2. **Base Period.** The Base Period for the Equipment will begin on 10-01-2003 and end on 09-30-2010.
3. **Lease Rate Factor.** The Lease Rate Factor for the Equipment is .035640.
4. **Periodic Base Rent Payment.** The amount of each periodic Base Rent payment due and payable for the Equipment is \$8,535.78. The initial sales/use tax amount is approximately \$554.83. The initial personal property tax amount is \$0.00. The total initial periodic payment which includes the amounts for Base Rent, sales/use tax and personal property tax is approximately \$9,090.61. Future periodic payments are subject to change if the authority in which the Equipment is located changes the applicable sales/use or personal property tax rate and/or the amounts described in any Floating Rate Addendum change. The periodic Base Rent payments are due and payable in advance in 28 quarterly installments beginning 10-01-2003. Interim Rent in the amount of \$0.00 is due and payable on the first day of the Base Period.

If all payment periods are not equal in length, describe payment schedule:

5. **Purchase Option Price.** The Purchase Option Price for the Equipment, Building or Facility, as referenced in the Master Lease, is described below and is calculated based on 20 % of the original cost of equipment or \$ 47,900.00 (Purchase Option Price) plus applicable sales and use taxes. Lessee shall notify Lessor in writing of Lessee's election to exercise such option at least 90 days prior to the Purchase Option Date.

Fixed Purchase Option

The Purchase Option Price is the amount stated in this paragraph. (This space intentionally left blank.)

6. **Purchase Option Date.** The date upon which the Lessee will have the option of purchasing the Equipment at the expiration of the Base Period shall be 10-01-2010.

7. **Security Deposit.** A Security Deposit as referenced in Equipment Lease Agreement in the amount of \$ 0.00 is paid by Lessee to Lessor.

Lessee hereby certifies that all Equipment described herein has been delivered and/or installed as required, and that the Equipment is accepted as satisfactory in all respects by Lessee. Lessee acknowledges that Lessor is not liable for the condition or performance of the Equipment, and agrees that all Lease payments will be made regardless of Equipment operability. Lessee hereby authorizes Lessor to pay for the Equipment shown herein. Lessee has inspected the Equipment, which inspection revealed the Equipment conforms to that Equipment ordered by Lessee. Lessor is in compliance with the terms and conditions of the Master Lease and Lessee has no claim or defense against Supplier or Lessor, its agents or employees.

