

W-41
FEB 1 1993 - 12:45 PM

INTERSTATE COMMERCE COMMISSION

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February 1, 1993

3-032A003

FEB 1 12 53 PM '93
MAIL ROOM RECEIVED UNIT

The Honorable Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Secretary Strickland:

Enclosed for recordation, under the provisions of 49 U.S.C. § 11303(a) and the regulations thereunder, are two (2) counterparts of Bareboat Charter No. 02337 between Cargill Leasing Corporation ("Owner") and Iowa Fleeting Service, Inc. ("Charterer"), a primary document.

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

Charter Agreement

OWNER: Cargill Leasing Corporation
Cargill Crosstown Center
600 Clearwater Drive
Minnetonka, MN 55343-9497

CHARTERER: Iowa Fleeting Service, Inc.
2308 South 4th Street
Paducah, KY 42001

A general description of the vessels covered by the enclosed document is attached hereto as Schedule I.

Counterparts - Per W-41

Letter to Secretary Sidney L. Strickland, Jr.
February 1, 1993
Page 2

The undersigned is the attorney-in-fact for purposes of this filing. Please return the extra copies of the enclosed documents to John K. Maser III, Esquire, Donelan, Cleary, Wood & Maser, P.C., Suite 850, 1275 K Street, N.W., Washington, D.C. 20005-4006 or to the bearer hereof.

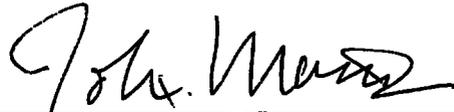
Also enclosed is a remittance in the amount of \$16.00 for the required recording fees.

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

PRIMARY DOCUMENT

Bareboat Charter No. 02337 between Cargill Leasing Corporation ("Owner") and Iowa Fleeting Service, Inc. ("Charterer"), a primary document, relating to certain box type covered hopper barges with fiberglass lift covers, having principal characteristics and dimensions of 200' x 35' x 12', built by Jeffboat, a division of American Commercial Marine Service Company, Barge numbers MTC 260B, and MTC 261B through MTC 275B, inclusive, Official numbers 984523, and 989811 through 989825, inclusive, and Hull numbers 92-2627, and 92-2733 through 92-2747, inclusive.

Respectfully submitted,

By: 

John K. Maser III
Attorney-In-Fact

SCHEDULE I

DESCRIPTION OF VESSELS COVERED BY CHARTER AGREEMENT

Sixteen (16) box type hopper barges with fiberglass lift covers, having principal characteristics and dimensions of 200' x 35' x 12'

<u>BARGE #</u>	<u>OFFICIAL #</u>	<u>HULL #</u>
MTC 260B	984523	92-2627
MTC 261B	989811	92-2733
MTC 262B	989812	92-2734
MTC 263B	989813	92-2735
MTC 264B	989814	92-2736
MTC 265B	989815	92-2737
MTC 266B	989816	92-2738
MTC 267B	989817	92-2739
MTC 268B	989818	92-2740
MTC 269B	989819	92-2741
MTC 270B	989820	92-2742
MTC 271B	989821	92-2743
MTC 272B	989822	92-2744
MTC 273B	989823	92-2745
MTC 274B	989824	92-2746
MTC 275B	989825	92-2747

Interstate Commerce Commission
Washington, D.C. 20423

2/1/93

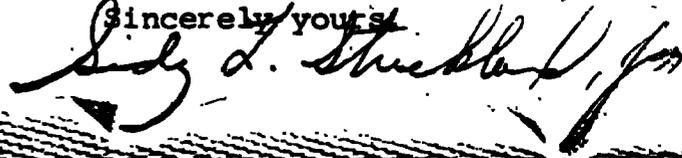
OFFICE OF THE SECRETARY

John K. Maser III, Esq.
Donelan, Cleary, Wood & Maser, PC.
1275 K Street, NW., Ste. 850
Washington, DC. 20005-4078

Dear Sirs:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 2/1/93 at 12:45PM, and assigned re-
recording number(s). W-41 and W-42.

Sincerely yours,



Secretary

SIDNEY L. STRICKLAND, JR.

Enclosure(s)

SE-30
(7/79)

W-41
FEB 1 1993 -12 45 PM

INTERSTATE COMMERCE COMMISSION

BAREBOAT CHARTER

No. 02337

between

CARGILL LEASING CORPORATION

and

IOWA FLEETING SERVICE, INC.

COUNTERPART No. 2 of 5 executed counterparts marked original.

No security interest may be created except by the
transfer and possession of all executed counterparts marked original

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CHARTER

THIS BAREBOAT CHARTER PARTY IS made as of this ____ day of December, 1992, between IOWA FLEETING SERVICE, INC. of 2308 South 4th Street, Paducah, Kentucky, 42001, a Delaware corporation (hereinafter referred to as the "Charterer"), and CARGILL LEASING CORPORATION, of 6000 Clearwater Drive, Minnetonka, Minnesota 55343-9497, a Delaware corporation (hereinafter referred to as "Owner").

Other parties referenced to in this Charter follow:

- (A) Cargo Carriers, a division of Cargill Marine & Terminal, Inc., P.O. Box 9300, Minneapolis, Minnesota, 55440, a Delaware corporation (hereinafter referred to as "Subcharterer").
- (B) Jeffboat, a division of American Commercial Marine Service Company, 1030 East Market Street, Jeffersonville, Indiana, 47130, a Delaware corporation (hereinafter referred to as the "Builder")

1. LEASE

The Owner agrees to and does hereby let and demise and the Charterer agrees to and does hereby hire on a bareboat basis twenty-six (26) 200' covered hopper barges to be described in Schedule A-02337-01 and Schedule A-02337-02 (hereinafter referred to as the "Schedule A's") which will take substantially the form of Exhibit A, attached hereto and incorporated herein, together with all attachments, additions, accessories, replacement parts, substitutions and repairs incorporated therein and/or affixed thereto, whether now or hereinafter acquired (said barges, together with all the foregoing, hereinafter referred to as the "Vessels"); twenty-five (25) of such Vessels Owner will purchase from Builder, and one (1) of such Vessels Owner will purchase from Charterer; said Vessels to be documented with the United States Coast Guard, in the name of the Owner under the laws of the United States of America, on the terms and conditions specified in this Lease.

Owner and Charterer may from time to time, by mutual agreement, add other Vessels to this Charter for such terms and at such rates as may be agreed by execution of additional Schedule A's, and this Charter shall control and be effective as to such additional Vessels as though the same were set forth herein. For purposes of construing this Charter, all Schedule A's attached hereto shall be incorporated herein and form a part hereof. No respective Schedule A shall be construed as an independent separate Charter. That is to say, an Event of Default (as hereinafter defined in Section 20 of this Charter) under one Schedule A constitutes an Event of Default under any and all other Schedule A's then in effect. Further, if there is an Event of Default under one Schedule A, then Owner can exercise the remedies provided in Section 21 of this Charter with regard to the Vessels in any and all Schedule A's, and in such an event, Owner can apply any surplus recovery obtained under one Schedule A to any deficient recovery under any and all of the other Schedule A's.

2. CHARTER TERM

This Charter shall be in force for a period beginning with the Commencement Date (as set forth in the appropriate Schedule A) and end at the expiration of the period ("Expiration Date") set forth in the appropriate Schedule A (the "Charter Term").

3. CHARTER HIRE

Charterer shall pay to Owner the amounts set forth in the appropriate Schedule A's as charter hire ("Charter Hire") for use of the Vessels for the Charter Term. Charter Hire shall be paid to Owner under the terms and at the location specified in the appropriate Schedule A's. In the event Charterer should fail to pay Owner any Charter Hire within five (5) days of the due date thereof, or any other sum required to be paid to the Owner within five (5) days of demand, Charterer shall pay to Owner a delinquent payment charge from the due date of the payment until paid at an annual rate of 18% unless otherwise prohibited by law, in which case the interest will be charged at the highest lawful rate allowed. All payments hereunder shall be applied to unpaid obligations then due hereunder in the inverse order of delinquency, that is, payments shall first be applied to the least delinquent obligation.

4. WARRANTIES

CHARTERER ACKNOWLEDGES THAT OWNER IS NOT THE MANUFACTURER OR BUILDER OF THE VESSELS NOR THE MANUFACTURER'S OR BUILDER'S AGENT, AND THE MANUFACTURER OR BUILDER OF THE VESSELS, INCLUDING THEIR RESPECTIVE AGENTS AND EMPLOYEES, ARE NOT THE AGENT OR UNDER THE SUPERVISION OF OWNER. OWNER MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE VESSELS, INCLUDING BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE VESSELS OR THEIR FITNESS FOR A PARTICULAR PURPOSE; FITNESS FOR SERVICE; DESIGN, CONDITION, QUALITY, CAPACITY, WORKMANSHIP OR SEAWORTHINESS OF THE VESSELS; COMPLIANCE WITH THE REQUIREMENTS OF ANY LAW, RULE, OR SPECIFICATION; PATENT OR LATENT INFRINGEMENTS; IT BEING AGREED THAT THE VESSELS ARE LEASED "AS IS" AND THAT ALL RISKS AS BETWEEN OWNER AND CHARTERER ARE TO BE BORNE BY CHARTERER. OWNER IS NOT RESPONSIBLE FOR INSTALLATION OF THE VESSELS, OR FOR ANY REPAIRS OR SERVICE TO THE VESSELS. OWNER IS NOT RESPONSIBLE FOR LOSS OF PROFIT OR FINANCIAL LOSS OR INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OR INTERRUPTION OF BUSINESS, WHICH MAY BE DIRECTLY OR INDIRECTLY CAUSED BY OR ATTRIBUTABLE TO THE INADEQUACY OF THE VESSELS.

Charterer will be subrogated to Owner's claims, if any, against the manufacturer or Builder of the Vessels for breach of any warranty or representation and, Owner shall enforce any such warranty, express or implied, issued on or applicable to any of the Vessels, provided, that Charterer is not in default under the Charter pursuant to Section 20 hereof, and Owner shall not be obligated to enforce any such warranty unless Charterer agrees in writing to pay all expenses in connection therewith. All proceeds of any such warranty recovery from the Builder or manufacturer shall be used at the discretion of Owner to either repair or replace the affected Vessels.

NOTWITHSTANDING THE FOREGOING, CHARTERER'S OBLIGATION TO PAY CHARTER HIRE OR ANY OTHER SUM REQUIRED UNDER THIS CHARTER SHALL BE AND IS ABSOLUTE AND UNCONDITIONAL.

5. TITLE AND IDENTIFICATION

This Charter is intended to constitute a true Charter/Lease and not a sale of the related Vessels. However, to the extent this Charter is construed to be a transaction intended as security, Owner retains and Charterer hereby grants to Owner a security interest in and to the Vessels now owned or hereafter acquired, the proceeds of any sale thereof, the assignment, charter, or subcharter thereof, any insurance proceeds with respect thereto, and any other tangible or intangible rights of Charterer in and to the Vessels, the Charter, and their proceeds; provided, further, that Charterer may not, to the extent this Charter is construed to be a transaction intended as security, sell or otherwise encumber the Vessels without Owner's prior written consent. No right, title or interest in the Vessels shall pass to Charterer other than, conditioned upon Charterer's compliance with and fulfillment of the terms and conditions of this Charter, the right to maintain possession and use the Vessels for the Charter Term. Charterer, at its expense, will protect and defend Owner's title to the Vessels from and against all claims, maritime or other liens, and legal process of creditors of Charterer and take such action as is necessary to discharge any such claim, maritime or other lien, or legal process (except such claim, maritime or other lien, or legal process arising solely by an act of Owner which does not result directly or indirectly from a breach by Charterer of any of its obligations under this Charter). Owner may require plates or markings to be affixed to or placed on the Vessels indicating Owner is the owner and Charterer will not alter, deface, cover or remove such ownership identification.

6. CONDITIONS OF SIGNING THE CHARTER

Owner's execution of the Charter is subject to and conditioned upon all of the following being satisfied:

- (A) Receipt by Owner of the Commitment Letter executed by Charterer and Owner,
- (B) Receipt by Owner of this Bareboat Charter executed by Charterer,
- (C) Receipt by Owner of the Charterer's Board Resolution substantially in the form of Exhibit D,

Secretary's Certificate, Certificate of Incumbency, or other document as Owner deems acceptable, in its sole discretion, authorizing Charterer to enter into the Charter and setting forth the authorized signatory,

- (D) Receipt by Owner of the executed guarantees of Ray A. Eckstein and Kathryn A. Eckstein substantially in the form of Exhibit C,
- (E) Receipt by Owner of the executed Subcharter Consent Agreement between Owner, Charterer, and Subcharterer substantially in the form of Exhibit F,
- (F) Receipt by Owner of an opinion of Counsel for Charterer satisfactory to Owner as to the matters set forth in Section 30 herein, and
- (G) Such other documents, opinions, certificates and evidence of such other matters as Owner may reasonably request to protect its investment in the Vessels.

7. CONDITIONS OF FUNDING AND PURCHASING THE VESSELS

Owner's funding of the Vessels and purchasing of the Vessels, and the commencement of the Charter Term(s), is subject to and conditioned upon all of the following being satisfied:

- (A) Receipt by Owner of all the necessary documentation transferring title free of any and all encumbrances in the Vessels to Owner, including any necessary Uniform Commercial Code or Interstate Commerce Commission filings,
- (B) Receipt by Owner of the Purchase Agreement between Charterer and Builder (hereinafter referred to as the "Purchase Agreement"), along with any work orders or specification changes, such Purchase Agreement to be in a form and substance substantially similar to Exhibit H and acceptable to Owner in its reasonable discretion.
- (C) Receipt by Owner of an executed Assignment of the Purchase Agreement, assigning the rights of Charterer under such Purchase Agreement to Owner that relate to the twenty-six (26) barges contemplated under this Charter, such assignment to be substantially in the form of Exhibit E,
- (D) Receipt by Owner of the Schedule A's (with stipulated loss value, hereinafter referred to as "SLV") executed by Charterer, substantially in the form of Exhibit A,
- (E) Receipt by Owner of Delivery and Acceptance Certificate(s) executed by Charterer, substantially in the form of Exhibit B,
- (F) Receipt of written evidence of insurance coverage as required by Section 34 herein, satisfactory to Owner,
- (G) Owner conducting a satisfactory inspection visit to Builder during Vessel construction, and
- (H) Such other documents, opinions, certificates and evidence of such other matters as Owner may reasonably request to protect its investment in the Vessels.

8. LIMITATION ON DISTRIBUTION

Charterer will not make distribution to any stockholder of Charterer in the event the equity position of Charterer will be reduced below Three Million Five Hundred Thousand Dollars (\$3,500,000.00). Charterer will further limit distribution to stockholders in any year to the cash flows provided by operating activities after all debt service and capital expenditures. For purposes of this Section, equity is defined as the sum total of all accounts presented in the stockholders equity section of Charterer's financial statements less any intangible items prepared in accordance with generally accepted accounting practices.

9. CONVERSION OF NOTE TO COMMON STOCK

Charterer hereby acknowledges the existence of a two million dollar (\$2,000,000.00) debt in the form of a note issued to Kathryn A. Eckstein. Charterer shall convert such note to common stock equity prior to December 31, 1992, and Charterer represents and warrants that such equity position will be maintained throughout the term of this Charter. Charterer will provide written evidence to Owner of such conversion by December 31, 1992.

10. DEFERMENT OF REPAYMENT OF LOANS

Charterer agrees that, with respect to all loans specified in the financial statements provided to Owner that are extended by the Eckstein Trusts to Charterer, Charterer will defer repayment of such loans until the termination date of this Charter.

11. ASSIGNMENT OF RIGHTS UNDER SUBCHARTER

Charterer hereby assigns to Owner its rights (related to the twenty-six (26) barges contemplated by this Charter) under the Subcharter Agreement, a copy of which is provided in Exhibit G, attached hereto and incorporated herein, between Charterer and Subcharterer; it being understood, however, that Owner does not take assignment of or otherwise assume the obligations under such Subcharter Agreement. Owner covenants that Owner will not interfere with Charterer's quiet enjoyment of such Subcharter Agreement during the Charter Term so long as (i) Charterer is in compliance with each material term and condition hereof, and (ii) no Event of Default (as defined in Section 20 herein) has occurred or is continuing. If Charterer is not in compliance with each term and condition hereof, or an Event of Default has occurred or is continuing, Owner has the right to enforce its rights under the Subcharter Agreement pursuant to this assignment, including, but not limited to, Owners right to have the Subcharterer pay directly to Owner any Charter Hire or other amounts due under such Subcharter Agreement. To secure such payment, Charterer grants to Owner a continuing and irrevocable security interest in all of its rights, title, and interest in the Subcharter Agreement, including but not limited to all Charter Hire or other payments due thereunder.

12. SALE, LEASEBACK

For the one (1) Sale/Leaseback Vessel, the Charterer represents, warrants and covenants at time of delivery to Owner:

- (A) Charterer is the owner of the Vessel free and clear of mortgages, pledges, maritime or other liens, charges, security interests or other encumbrances of any nature whatsoever;
- (B) The purchase price of the Vessel is the Builder's invoice price and the purchase price of the Vessel shall not exceed the Charterer's adjusted basis therefore as of the Effective Date;
- (C) The Vessel conforms to the requirements of the respective Purchase Agreement for barges, a copy of which is attached hereto in Exhibit H and incorporated herein, together with all Drawings referenced in such Purchase Agreement;
- (D) The Vessel is of good workmanship and quality in accordance with the best marine practice for work of like nature, complete, ready for service and seaworthy in every respect.

With regard to the one (1) sale/leaseback Vessel, Charterer will provide to Owner:

- (A) a Bill of Sale executed by Charterer, substantially in the form of Exhibit I,
- (B) copies of proof of proper registration of ownership,
- (C) copies of invoices and proof of payment, and
- (D) any necessary documentation transferring title free and clear of all encumbrances.

13. TAXES, REGISTRATION AND LICENSING

Charterer agrees to comply with all laws, regulations and orders relating to the Charter and to pay when due all taxes, assessments and governmental charges lawfully imposed on, or in respect of, the Vessels while on Charter to Charterer or their hire (except Owner's income and franchise taxes), and Charterer will also promptly pay all fines and penalties lawfully imposed on the Vessels which arise out of Charterer's use, maintenance or operation thereof. Charterer shall obtain and maintain such licensing and registration of the Vessels as is required by federal, state and local law or regulation (including, but not limited to, registering the Vessels with the United States Coast Guard listing Owner as Owner of such Vessels) and shall pay all required taxes and fees with respect to the licensing and registration of such Vessels. Charterer shall notify Owner in writing within ten (10) days after any attachment, tax lien or other judicial process shall attach to any Item of Equipment or Vessels.

14. INDEMNITY FOR LOSS OF TAX BENEFITS

If as a result of (i) an act or failure to act by Charterer, (ii) any default by Charterer or the exercise of remedies in connection therewith, (iii) the failure of any Vessels to be considered 10-year property as of the Commencement Date for such Vessels for purposes of section 168 of the Internal Revenue Code, (iv) any breach or inaccuracy of any representation or covenant of Charterer herein, (v) the Original Cost not being equal to the manufacturer's invoice price for the Vessels or (vi) the failure of any Vessels to be placed in service for federal income tax purposes on or before the Commencement Date for such Vessels (each an "Operative Event"), Owner shall lose or lose the right to claim the MACRS Deductions (as defined below) or shall suffer a disallowance, reduction or recapture of the MACRS Deductions, then Owner shall have suffered a "Loss" for purposes hereof.

If Owner shall have suffered a Loss, then Charterer shall pay to Owner, within 30 days after the date of such Loss an amount which, after deduction of all taxes required to be paid by Owner in respect of the receipt of such amount under the laws of any federal, state or local government or taxing authority, shall preserve Owner's after-tax discounted cash flow rate of return on equity, cash flows and book income based on FASB 13 ("Net Economic Return") plus the amount required to reimburse Owner on an after-tax basis for interest and penalties (including additions to tax because of underpayment of estimated tax) which may be payable to any federal, state or local government or taxing authority in connection with such Loss. The amount of such Loss and the payment due hereunder shall be determined by mutual agreement between Owner and Charterer or, failing such agreement, by KPMG Peat Marwick or another independent firm of certified public accountants selected by Owner, and reasonably satisfactory to Charterer, with the expenses of such certified public accountants to be borne equally by Owner and Charterer.

For the purpose of this Charter, the date of any Loss shall be the earliest of (i) the payment by Owner (including, for purposes of this Section, any group of corporations with which the Owner files a consolidated return for federal income tax purposes) of the tax increase resulting from such Loss or the filing of any return reflecting such Loss, (ii) receipt by Owner from the Internal Revenue Service of any notice of proposed deficiency, statutory notice of deficiency or assessment relating to such Loss or (iii) a good faith determination by Owner that there is no reasonable basis in law or fact to claim the full MACRS Deductions.

Notwithstanding the foregoing, Charterer will not be required to pay the foregoing amounts if the Loss results solely from the occurrence of any of the following events: (i) a disposition due to sale of a Vessel or the Charter with respect thereto by Owner other than as a result of an Operative Event, (ii) a failure of Owner to timely claim depreciation for the Vessels in the appropriate tax return of Owner to the extent such claim has been determined to be proper by Owner or (iii) any change in the Internal Revenue Code which shall occur after the Commencement Date with respect to any Vessel (provided, however, that any indemnity otherwise payable hereunder, including the "gross up" thereof, shall be calculated in consideration of the applicable tax rates then in effect).

The parties hereto specifically agree that if during the first year of the Charter Term there is enacted a change in the Internal Revenue Code which the parties reasonably agree allows Owner to receive a credit against federal income tax resulting from Owner's purchase and ownership of one or more of the Vessels, commencing in each year in which the Owner realizes the tax benefit from the credit, or any portion thereof, Owner will redetermine the Charter Hire payable hereunder for the remainder of the Charter Term after considering the benefit of any such credit actually realized by Owner (including any after-tax benefit resulting from the reduction of Charter

Hire), and this Charter shall be amended accordingly to reflect the recomputed Charter Hire. If Owner shall lose the benefit of any such credit assumed in such redetermination, such loss shall be considered a Loss subject to indemnification hereunder without regard to the preceding paragraph unless the loss of the credit is attributable (i) to Owner's failure to properly claim the credit where such claim would be proper or (ii) Owner's negligence in failing to maintain its eligibility for the credit. In lieu of the foregoing adjustment to Basic Hire, if any such credit legally may be passed-through for direct utilization by Charterer, at the election of Charterer, Owner shall take such reasonable actions as requested and at the cost of Charterer to allow Charterer to realize the credit, provided that Owner will have no liability to Charterer if Charterer shall fail to realize the benefit of the credit.

Charterer acknowledges that a material consideration to Owner for entering into this Charter is based on the tax consequences to Owner as an owner and lessor of the Vessels and that Charter Hire payable hereunder has been determined assuming that certain tax benefits are available to Owner, including the assumption that certain deductions are available to Owner with respect to 100 percent of the Original Cost of the Vessels pursuant to section 168 of the Internal Revenue Code (the "MACRS Deductions"). Charterer agrees that it will use its best efforts to insure that the Vessels are operated so as to remain qualified for the MACRS Deductions. As the Vessels are contemplated to be subject to subcharters during the term of this Charter, Charterer agrees to assign to Owner and to assist Owner in enforcing, if necessary, any and all rights that Charterer may have against any sub-charterer with respect to the operation of the Vessels in order to insure that the Vessels are operated in a manner so as to continue to qualify for the MACRS Deductions.

The indemnifications set forth herein shall survive the termination of the Charter Period and shall inure to the benefit of and be binding upon the successors and assigns of the Owner and to Charterer.

15. INDEMNIFICATION OF OWNER

Provided that the following is not due to Owner's fault or gross negligence, the Charterer assumes liability for, and hereby agrees to indemnify on an after-tax basis, protect and hold harmless Owner, its agents, employees, officers, directors, successors and assigns from and against any and all liabilities, obligations, maritime or other liens, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses, including reasonable attorney fees (hereinafter collectively called "Losses") of whatsoever nature arising out of the following:

- (A) the manufacture, possession, use, operation, condition, installation, alteration (with or without Owner's consent), repair, maintenance, selection, delivery or subchartering under this Charter, removal and return of the Vessels, by Charterer, its agents, its employees or any permitted subcharterers, or
- (B) any failure on the part of Charterer to perform or comply with the conditions or obligations of this Charter (including but not limited to the obligation under Section 38 of this Charter to be and remain throughout the Charter Term a citizen of the United States as defined by Section 2 of the Shipping Act of 1916, as amended) or by operation of law; or
- (C) a violation of the Federal Water Pollution Control Act, the Water Quality Improvement Act, the Oil Pollution Act of 1990, or any other applicable environment laws or regulations or any other laws, statutes, regulations, ordinances or rules whatsoever (included but not limited to the rules of the United States Coast Guard), whether such claims are founded or unfounded, by Charterer, its agents, its employees or any permitted subcharterers.

Charterer shall be responsible for marking and buoying the Vessels in the event of sinking and for removal if the Vessels become wrecked, and shall indemnify and hold harmless Owner against loss, damage or expense arising from Charterer's failure in respect thereof.

16. OWNER'S PERFORMANCE OF CHARTERER'S OBLIGATIONS

If Charterer shall fail to duly and promptly perform any of its obligations under this Charter with respect to the Vessels, Owner may, at its option, perform any act or make any payment which Owner deems necessary for the maintenance and preservation of the Vessels and Owner's title thereto, including payments for satisfaction of

maritime or other liens, repairs, taxes, levies and insurance. All sums so paid or incurred by Owner, together with any delinquent payment charges pursuant to Section 3 hereof, and any reasonable legal fees incurred by Owner in connection therewith, shall be paid by Charterer to Owner upon demand. The performance of any act or payment by Owner as provided herein shall not be deemed a waiver or release of any obligation or default on the part of Charterer.

17. SELECTION, DELIVERY, AND INSTALLATION

Charterer has selected the Vessels, including the type, quantity, and the supplier thereof, based solely on its own judgment and expressly disclaims any reliance on (i) any statements or representations, if any, made by Owner, its agents or employees, and (ii) Owner's, its agents' or employees', skill of judgment, if any, to select or furnish suitable Vessels. Charterer acknowledges that (i) Owner is not a dealer, manufacturer, merchant or supplier of Vessels of any kind, and (ii) the Vessels subject to this Charter are of a type, size, design and capacity selected by Charterer. Owner shall have no liability for any delivery of the Vessels or for any failure by the Builder or manufacturer to fill the Purchase Agreement or meet the conditions thereof.

The Vessels are now being constructed at the Builder's Jeffersonville, Indiana yard. The Vessels will be delivered to Charterer at the location specified in the Purchase Agreement between Charterer and Builder; the rights under such Purchase Agreement to be assigned to Owner prior to the Commencement Date of this Charter. The Charterer will accept the Vessels in accordance with the Delivery and Acceptance Certificate substantially in the form of Exhibit B, attached hereto and incorporated herein, "AS IS, WHERE IS".

18. CHARTERER'S USE OF THE VESSELS

This Charter is a full and complete demise of the Vessels to the Charterer which shall have exclusive possession and control of the Vessels and shall man, fuel, supply, navigate, operate and maintain, preserve and repair the Vessels in seaworthy condition at its own expense or by its own procurement throughout the Charter Term. The Charterer shall pay all port charges, pilotages and all other taxes, costs, charges and expenses whatever incident to the use, operation and maintenance of the Vessels during the Charter Term. Owner maintains no control, possession or command whatsoever over the Vessels during the Charter Term, except as set forth in this Charter.

With regard to Charterer's use and operation of the Vessels, Charterer shall:

- (A) limit the use and operation of the Vessels to such inland waters of the continental United States of America as allowed by the applicable coastwise trading laws,
- (B) conduct such operations within the navigating limits or other requirements of the insurance policies required under Section 34 of this Charter,
- (C) will not cause or permit the Vessels to be operated in any manner contrary to any laws, statutes, regulations, ordinances, or rules including but not limited to the Federal Water Pollution Control Act, the Federal Water Quality Improvement Act, the Oil Pollution Act of 1990, all as amended, and the rules of the United States Coast Guard,
- (D) will not remove or attempt to remove the Vessels beyond the limits of the United States,
- (E) will not engage in any unlawful trade or violate any law or carry any cargo that will expose the Vessels to penalty, forfeiture or capture, and will not permit the Vessels to be used to transport hazardous or toxic materials,
- (E) will not permit the Vessels to be put, placed or operated under a foreign flag or documentation, and
- (F) will not do or suffer or permit anything to be done which can or may injuriously affect the registration or enrollment of the Vessels under the laws and regulations of the United States.

Charterer will cause the Vessels to be operated in accordance with any applicable Builder or manufacturer manuals or instructions, applicable laws, any insurance policies and any warranties of the Builder or manufacturer with respect to the Vessels, by competent and duly qualified personnel only, in accordance with applicable governmental regulations, and for its originally intended business purpose only. Charterer shall not sell, transfer, pledge, hypothecate, or otherwise encumber or suffer a maritime or other lien upon or against any interest in this Charter or the Vessels (with the exception of maritime liens which arise during normal operation of the Vessels and are discharged and paid in the normal course of business). Charterer shall not change the home port of the Vessels, as set forth in the appropriate Schedule A, without Owner's prior written consent.

19. ASSIGNMENT OR SUBCHARTER

Notwithstanding any other provision of this Charter, the Charterer shall not by operation of law or otherwise assign this Charter, or charter or subcharter the Vessels, without the prior written consent of Owner in each such case. Any such assignment, or charter or subcharter, which would result in the cancellation or termination of any insurance required by this Charter is prohibited. In the event this Charter is assigned, or any of the Vessels are chartered or subchartered by Charterer, Charterer shall always remain responsible and liable for the payment of Charter Hire or other amounts due hereunder, and for the performance of all other obligations under this Charter, and any such charter or subcharter of any Vessel shall always be subject to the terms and conditions of this Charter. Any assignment, or charter or subcharter, entered into by Charterer without the prior written consent of Owner shall be null and void.

Charterer agrees that Owner may assign, sell or encumber all or any part of this Charter, any of the Vessels, and the Charter Hire or Hires hereunder; and upon written notice Charterer will unconditionally pay to such assignee all Charter Hire or Hires and other sums due on or to become due under the Charter.

Subject to the other terms herein, this Charter inures to the benefit of and is binding upon the heirs, legatees, personal representatives, successor and permitted assigns of the parties hereto.

20. EVENTS OF DEFAULT

The occurrence of any of the following events shall constitute a default by Charterer (herein referred to as an "Event of Default") in the performance of Charterer's obligations hereunder:

- (A) failure of Charterer to pay Charter Hire within five (5) days after given notice that it is due or overdue, or failure of Charterer to pay within five (5) days after notice any other amount required to be paid herein; or
- (B) failure of Charterer to maintain or caused to be maintained insurance in compliance with Section 34 herein, within fifteen (15) days after given notice of such failure; provided, however, that (i) Charterer acknowledges that under the terms of this Charter, Charterer is at all times responsible and liable to obtain and maintain such insurance in compliance with Section 34 herein, and (ii) if Owner, in its discretion, believes that Charterer is in default of its obligations to maintain the insurance required by Section 34 herein, Owner has the right (but not the obligation) to obtain such insurance, and Charterer will reimburse Owner within five (5) days after demand for the cost and expense Owner incurred to acquire such insurance, or
- (C) failure of Charterer to maintain its status throughout the entire Charter Term as a citizen of the United States within the meaning of Section 2 of the Shipping Act of 1916, as amended,
- (D) failure of Charterer to timely perform any covenant, condition, obligation, or duty required to be performed by Charterer under this Charter (other than those specified in (A), (B), and (C) of this Section 20), and such failure shall continue for thirty (30) days after written notice by Owner; or
- (E) failure by Charterer or either or both of the guarantors to this Charter, Ray A. Eckstein and Kathryn A Eckstein (hereinafter referred to as "Guarantors"), to generally pay their debts as such debts become due, and Charterer or either or both of the Guarantors continue generally not paying their debts as such debts become due for a period of thirty (30) days after written notice given by

Owner; or

- (F) Charterer or either or both of the Guarantors become insolvent or bankrupt, or make an assignment for the benefit of creditors, or consent to the appointment of a trustee or receiver, or a trustee or a receiver shall be appointed for Charterer or either or both of the Guarantors for a substantial part of their property without their consent and shall not be dismissed for a period of thirty (30) days, or bankruptcy, reorganization or insolvency proceedings shall be instituted by or against Charterer or either or both of the Guarantors and, if instituted against Charterer or either or both of the Guarantors, shall not be dismissed within thirty (30) days of institution; or
- (G) Charterer's business is dissolved, terminated or discontinued; or
- (H) Charterer sells, transfers or disposes of all or substantially all of its assets or property, or merges with any other entity or engages in any form of corporate reorganization or recapitalization without the prior written consent of Owner; or
- (I) In the event that either or both of the Guarantors die, failure of the Eckstein family to maintain a majority of the equity and voting interest of Charterer (such family is defined to include the following persons: Ray A. Eckstein, Kathryn A. Eckstein, John Paul Eckstein, Joseph Patrick Eckstein, Raymond Eckstein, and Cinthia Eckstein Erickson, hereinafter collectively referred to as the "Eckstein Family"); or
- (J) A transfer of ownership of Charterer's or either or both of the Guarantors' outstanding voting stock or other action (such as issuance of new shares, sale of Treasury shares, purchase of outstanding shares, dividends, etc) resulting in a change in the controlling interest of Charterer outside of such Eckstein Family without the prior written consent of Owner; or
- (K) Any material representation or warranty made by or on behalf of Charterer or either or both of the Guarantors hereunder, or any document, financial statement or certificate furnished to Owner in connection herewith or pursuant hereto, shall prove to be incorrect, misleading or inaccurate in any material respect.

21. REMEDIES

Upon occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Owner may, at its option, declare this Charter to be in default and may do one or more of the following with respect to any or all Vessels as Owner in its sole discretion shall elect, all of which are hereby authorized by Charterer:

- (A) terminate this Charter effective immediately;
- (B) cause Charterer, upon written demand of Owner and at Charterer's expense, to promptly return all Vessels to Owner in accordance with the terms of Section 26 hereof;
- (C) at its option, Owner may take possession of the Vessels and remove the same without liability for injuries suffered through or loss caused by such repossession. **CHARTERER WAIVES ANY AND ALL RIGHTS TO NOTICE AND JUDICIAL HEARING WITH RESPECT TO THE REPOSSESSION OR ATTACHMENT OF THE VESSELS BY OWNER IN THE EVENT OF DEFAULT HEREUNDER BY CHARTERER.**

In the event Owner proceeds pursuant to this subsection (C), Owner shall use its best efforts to sell or charter the Vessels at public or private sale as is commercially reasonable given the existing conditions on an "AS IS, WHERE IS" basis without recourse or warranties of any kind, or otherwise hold, use, operate, or keep idle such Vessels as Owner in its sole discretion determines is commercially reasonable; or

- (D) by written notice to Charterer, cause Charterer to pay Owner (as liquidated damages for loss of a bargain and not as a penalty) on the date specified in such notice an amount equal to (i) the

Charter Hire with respect to such Vessels due and payable on the first of the month following the date of the notice of default (ii) plus a sum equal to the appropriate SLV determined as of the first of the month following the date of the notice of default in accordance with the SLV Schedule set out in the Schedule A's.

- (E) Owner may exercise any other right or remedy which may be available to it under the Uniform Commercial Code or any other applicable law, or in equity, or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof.

In addition, Charterer shall pay Owner all costs and expenses incurred by Owner as a result of Charterer's default hereunder or the termination hereof including without limitation, reasonable attorney's fees, and costs arising out of repossession and disposal of the Vessels.

Provided that the Charterer has previously paid to Owner the sum of the SLV, all Charter Hire or other amounts due and owing, and all costs and expenses incurred pursuant hereto, Charterer shall be entitled to the proceeds of any such sale, disposition, or re-charter of the Vessel to the extent that such proceeds do not exceed such sum of the SLV, Charter Hire or other amounts due and owing, and costs and expenses incurred pursuant hereto. Any excess shall be retained by Owner. To the extent the Vessels are re-chartered by Owner, Charterer shall be credited the present value of the Charter Hire stream at the discount rate of the Chase Manhattan Prime as of the date the re-charter is agreed to by the parties. Furthermore, to the extent the parties to this Charter need to determine the present value of any monies due under the Charter, the parties agree that the discount rate shall be the Chase Manhattan Prime.

In addition, Charterer shall continue to be liable for all indemnities under this Charter and for all reasonable attorney fees and other costs and expenses resulting from the foregoing defaults or the exercise of Owner's remedies, including placing any Vessels in the condition required by Section 26 hereof. No remedy referred to in this Section is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Owner at law or in equity. Any repossession or subsequent sale or charter by Owner of any Vessel shall not bar an action for a deficiency as herein provided and the bringing of any action or the entry of judgment against the Charterer shall not bar the Owner's right to repossess the Vessels. No expressed or implied waiver by Owner of any default shall constitute a waiver of any other default by Charterer or a waiver of any of Owner's rights.

22. NOTICES

All notices, demands, or other communications required to be given herein shall be given to the parties in writing and shall be deemed given when mailed by certified mail, postage prepaid, or by confirmed facsimile to the addresses set forth below, or to such other address as the parties may hereafter substitute by written notice:

Owner: Cargill Leasing Corporation
Cargill Crosstown Center
6000 Clearwater Drive
Minnetonka, MN 55343-9497
Facsimile: 612/742-3917
612/742-3918
Attn: General Manager

Charterer: Iowa Fleeting Service, Inc.
2308 South 4th Street
Paducah, KY 42001
Facsimile: 502/441-7544
Attention: John Eckstein

23. MAINTENANCE AND REPAIR

- (A) The Charterer shall at all times at its own cost and expense

- (1) maintain and preserve the Vessels in good running order and repair so that the Vessels shall be tight, staunch, strong, and well and sufficiently tackled, appurtened, furnished, equipped and in every respect seaworthy and in good operating condition;
 - (2) cause the Vessels to be in compliance with all applicable laws, treaties and conventions, and rules and regulations issued thereunder; and
 - (3) cause the Vessels to meet all safety, operational and maintenance requirements of the United States Coast Guard and any other United States, international or other authority having jurisdiction over the Vessels; and
- (B) Charterer will make no structural alterations or changes in the Vessels, its appliances or appurtenances, without the prior written consent of Owner. All alterations, improvements or additions made on the Vessels after commencement of the Charter shall become the property of the Owner and shall remain upon, and be surrendered with, the Vessels at the termination or expiration of the Charter.
- (C) Charterer shall at its own expense provide such additional equipment, outfit, appliances, tools, spare and replacement parts, as may be required for operation of the Vessels.
- (D) The Charterer covenants to maintain and not to mar the Owner's hull number or the official number applicable to the Vessels assigned by the appropriate agency of the Government of the United States of America, as permanently marked on the Vessels, and not to have any words or figures written, or painted, or placed upon said Vessels indicating ownership by the Charterer, or anyone else, but the Charterer's operating name or number may be marked on the Vessels.

24. LOSS AND DAMAGE

Charterer agrees to immediately inform Owner as soon as Charterer has knowledge of any damage to the Vessels or caused by the Vessels or of the existence of any Casualty Occurrence as hereinafter defined within 20 days of the happening if the amount of such damage is fifty thousand dollars (\$50,000.00) or more. All risk of loss with respect to the Vessels shall be borne by Charterer.

If Owner determines that any of the Vessels are lost, stolen, destroyed, or damaged for any reason, or in the event of any condemnation, confiscation, theft, seizure or requisition of title to or the use of such Item (herein called "Casualty Occurrence"), Charterer will:

- (A) in the event of less than a total loss or less than a total constructive loss, repair and restore the Vessels to the condition required under Section 23 of this Charter, or
- (B) in the event of a total loss or constructive total loss, promptly pay to Owner (when the insurance settlement is received) an amount equal to the following:
 - (1) the Charter Hire in respect of the Vessels suffering a Casualty Occurrence due and payable on the next Charter Hire payment date following the date of the notice of Casualty Occurrence,
 - (2) plus a sum equal to the SLV of such Vessels determined as of the next Charter Hire payment date following the date of the notice of Casualty Occurrence in accordance with the SLV Schedule set out in the Schedule A's,
 - (3) less any amounts paid to Owner from physical damage insurance proceeds or from a governmental authority in the case of a requisition, as a result of said Casualty Occurrence.

As of the date on which the SLV is due, the Charter Hire for the Vessel(s) shall cease to accrue and the Charter Term as to such Vessel(s) shall terminate and (except in case of the loss, theft or

complete destruction), the Owner shall be entitled to recover possession of such Vessel(s).

Owner hereby appoints Charterer its agent to dispose of any Vessel suffering a Casualty Occurrence at the best price obtainable on an "AS IS, WHERE IS" basis without recourse or warranties of any kind. Provided that Charterer has previously paid to Owner the SLV and all Charter Hire or other sums due and owing as to such Vessel(s), Charterer shall be entitled to the proceeds of such sale to the extent they do not exceed the SLV and all Charter Hire or other sums due and owing as to such Vessels and shall pay any excess to Owner.

25. INSPECTION AND DOCUMENT ACCESS

Owner or their representatives, shall have the right at any time, on reasonable notice, to inspect the Vessels in order to ascertain whether the Vessels are being properly repaired and maintained, but inspection in drydock shall be made only when the Vessels shall be in drydock pursuant to other provisions of this Charter, provided such drydock inspection does not unreasonably interfere with the operation of the Vessels. Charterer shall also permit Owner to inspect the Vessel's logs and all other documents pertaining to the Vessels or its cargoes whenever requested, on reasonable notice.

26. VESSEL CONDITION ON REDELIVERY, AND SURVEY

For purposes of this Charter, redelivery shall mean the return of Vessels to Owner's possession at a mutually agreed upon location in either New Orleans, Louisiana, or St. Louis, Missouri, free and clear of all obligations, maritime or other liens, and encumbrances of any nature whatsoever.

- (A) Notwithstanding any other provision of this Charter, and without relieving Charterer of any other duty or obligation under this Charter, it is agreed that Charterer shall redeliver the Vessels to Owner in the same or as good state and condition, including cleanliness, as the Vessels were at the time of delivery on the Delivery Date, reasonable wear and tear alone excepted, and in the condition required under Section 23 herein. Reasonable wear and tear shall be deemed to include indentations up to a maximum depth of two inches and not, however, to include any breakage or structural damage. The condition of the Vessels at the commencement of this Charter is agreed to between the parties to be new construction and to be in good seaworthy condition. A survey of the Vessels shall be conducted at Charterer's expense on or about the time of redelivery of the Vessels to Owner (the "Redelivery Survey") by Merrill Marine Service, Inc., or any other surveyor chosen by Owner and Charterer, and such survey or surveys will specify in detail (i) each item of repair necessary to restore the Vessels to the same condition as specified in Section 23 herein, (ii) the cost of each such item of repair, and (iii) the time necessary to effect all such repairs. Charterer will give written notice to Owner three (3) days in advance of the date on which the Redelivery Survey of the Vessels will be conducted.
- (B) If as a result of such Redelivery Survey it should be found that the vessels are not in as good condition as when received by the Charterer, reasonable wear and tear excepted, the Owner shall have the right to require Charterer, at its sole expense, to put the same in good condition.
- (C) In the event the Vessels are not redelivered to Owner within five (5) days of the end of the Charter Term, Charterer shall pay as additional Charter Hire an amount equal to the greater of the fair market daily hire as determined by Owner or the daily equivalent of Charter Hire as set forth in the Schedule A's, for each day from the date of the end of the Charter Term until the Vessels are redelivered. Payment of additional Charter Hire hereunder does not relieve Charterer of its obligation to return the Vessels immediately upon expiration of the Charter Term.
- (D) After completion of the Redelivery Survey, Charterer shall either (i) commence and promptly make such repairs to the Vessels as are required by the Redelivery Survey, or (ii) make payment to Owner of an amount equal to the total cost of such repairs to the Vessels, and Charterer shall in any event pay to Owner the daily equivalent of Charter Hire for each day necessary to affect all such repairs.

27. THIS SECTION IS INTENTIONALLY LEFT BLANK

28. FINANCIAL REPORTS

Charterer and Guarantors shall furnish Owner during the Charter Term hereof with annual Certified Public Accountant prepared and reviewed financial statements (and audited financial statements if such statements hereafter become available) within one hundred twenty (120) days after the end of the fiscal year and such other financial information as Owner may from time to time request including, without limitation, reports filed with federal or state regulatory agencies. Charterer and Guarantors hereby warrant and represent that all financial statements heretofore and hereafter delivered to Owner by or upon behalf of Charterer and Guarantors will be prepared in accordance with generally accepted accounting principles, and any statements and data submitted in writing to Owner in connection with this Charter are true and correct and present fairly the financial condition of Charterer and Guarantors for the period involved.

29. NO OFFSET

CHARTERER HEREBY WAIVES ANY AND ALL EXISTING AND FUTURE CLAIMS AND OFFSETS, AGAINST ANY CHARTER HIRE OR OTHER PAYMENTS DUE HEREUNDER; AND AGREES TO PAY THE CHARTER HIRE AND OTHER AMOUNTS DUE HEREUNDER REGARDLESS OF ANY OFFSET OR CLAIM WHICH MAY BE ASSERTED BY CHARTERER OR ON ITS BEHALF.

30. CHARTERER'S REPRESENTATIONS

Charterer represents, warrants and agrees that:

- (A) it has the full power, authority and legal right to enter into and perform this Charter and the execution, delivery and performance of this Charter have been duly authorized by all necessary corporate or other legal action on the part of Charterer, does not require the approval or consent of any shareholder, trustee or holders of any indebtedness or obligations of Charterer, and will not contravene any law, governmental rule, regulation or order binding on Charterer (or the Certificate of Incorporation or By-Laws of Charterer) or contravene the provisions of, or constitute a default under, or result in the creation of any maritime or other lien or encumbrance upon the property of Charterer under, any indenture, mortgage, contract or other agreement to which Charterer is a party; and
- (B) all consents and approvals of, the giving of notice to, registration with, and the taking of any other action in respect of any federal, state or foreign governmental authority or agency, necessary, if at all, to permit the transactions contemplated by this Charter have been taken; and
- (C) the Charter constitutes a legal, valid and binding obligation of Charterer enforceable against Charterer in accordance with the terms thereof; and
- (D) there are no pending or threatened actions or proceedings before any court or administrative agency which will materially adversely affect the condition, business or operations of Charterer or any of its subsidiaries or the ability of Charterer to perform its obligations under this Charter; and
- (E) that the transactions contemplated by this Charter will raise no presumption of fraud as against, and will be effective against, all creditors of Charterer under applicable state and federal laws, including, without limitation, laws relating to fraudulent conveyances or bulk transfers; and
- (F) Charterer shall provide Owner with an opinion of counsel satisfactory to Owner with respect to the foregoing matters.

31. FURTHER ASSURANCES

Charterer shall execute and deliver to Owner, upon Owner's request, such further documents, instruments, and assurances as Owner reasonably deems necessary or advisable for the confirmation or perfection of this Charter and Owner's rights hereunder.

32. QUIET ENJOYMENT

Owner covenants that Owner will not interfere in Charterer's quiet enjoyment of the Vessels hereunder during the Charter Term so long as (i) Charterer is in compliance with each material term and condition hereof, and (ii) no Event of Default has occurred or is continuing.

33. WAIVER

The failure of Owner to insist, in any one or more instances, upon strict performance by Charterer of any of the covenants of this Charter, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future, of such covenant or option, but the same shall continue and remain in full force and effect. The receipt by Owner of Charter Hire or other amounts due hereunder, with knowledge of the breach of any covenant or condition hereof, shall not be deemed a waiver of such breach, and no waiver by Owner of any provision hereof shall be deemed to have been made unless expressed in writing and signed by Owner.

34. INSURANCE

- (A) Charterer shall at all times from the date of delivery of the Vessels to Charterer and continuing as long as this Charter remains in force:
- (1) Insure the Vessels against marine and other risks covered by the 1942 River Hull Form, the Taylor Form, or the American Institute Time (Hulls) Form (or other forms furnishing broader and greater coverage), including, but not limited to, loss or damage by fire or perils of the river (the policies to include the customary Inchmaree Clause and Four-Fourths Collision Clause, and Strikes, Riots, and Civil Commission Endorsement) in an amount not less than the SLV of each Vessel pursuant to the Schedule A's. Such policy providing insurance for the damage to the Vessels shall name Owner and Charterer as Loss Payee as their interests may appear, and shall not have a deductible amount in excess of twenty five thousand dollars (\$25,000.00) or the minimum deductible accepted as standard in the industry as indicated by marine brokers such as Alexander & Alexander, Inc., without the express written consent of Owner.
 - (2) Insure the Vessels against Protection and Indemnity risks covered by the Inland Vessel P & I Form, P & I Form (SP-23) or the 1955 P & I Form (or other forms furnishing broader and greater coverage), including, but not limited to, loss of life, bodily injury and/or property damage and/or other similar risks as covered by the Protection and Indemnity Forms described above, with a total limit of liability not less than Ten Million Dollars (\$10,000,000.00) per occurrence. Such insurance shall not have a deductible in excess of twenty five thousand dollars (\$25,000.00) or the minimum deductible accepted as standard in the industry as indicated by marine brokers such as Alexander & Alexander, Inc., without the express written consent of Owner.
 - (3) Maintain general liability insurance with minimum limits of ten million dollars (\$10,000,000.00), such insurance to include, but not be limited to, broad form contractual coverage.
 - (4) Maintain workers' compensation and longshoreman harbor workers' coverage in accordance with statutory requirements and employer's liability coverage with minimum limits of ten million dollars (\$10,000,000.00).

Each insurance policy shall name Charterer as the named insured and Owner as an additional insured. Each policy shall be primary without right of contribution from any other insurance carried by Owner and shall expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured. Each insurance policy shall contain a clause requiring the insurer to give Owner thirty (30) days prior written notice of any material alteration in the terms of the policy or of the cancellation thereof. To the extent that Charterer may have liability insurance in excess of the

minimum limit required herein, Owner shall be named as an additional insured on any such coverage.

- (B) The cost of all such insurance shall be the responsibility of Charterer. All policies referred to in this Section shall be endorsed waiving rights of subrogation against Owner. Charterer shall file with Owner satisfactory evidence of such insurance in the form of certificates or cover-notes. Charterer agrees to indemnify Owner for any loss or damage falling within the scope of any deductible provisions.
- (C) Charterer further agrees to give to Owner prompt written notice within twenty (20) days after Charterer's knowledge of any damage to, or loss of, the Vessels as defined in Section 24 or damage or injury (which involve fatalities, massive internal injuries, multiple fractures, serious head injuries, amputation, spinal cord injuries, serious burns, and losses involving ten (10) or more claimants) caused by the Vessels. Charterer shall, at its own expense and cost, have the duty and responsibility to make all proofs of loss and take all other steps necessary to effect collections from underwriters for any loss under any of the above mentioned policies. The proceeds of such insurance (i) for damage less than a total loss or less than a total constructive loss shall be applied to repair and restore the Vessels to the condition required under Section 23 herein, or (ii) for a total loss or constructive total loss shall be applied as provided for in Section 24(B) herein.
- (D) Any policies of Hull insurance carried in accordance with this section shall provide that in respect of the interests of Owner in such policies, the insurance shall not be invalidated by any action or inaction of Charterer or any other person (other than Owner) including, but not limited to, any misrepresentation, and shall insure Owner's interests, as they appear, regardless of any breach or violation of any warranties, declarations, or conditions contained in such policies by or binding upon Charterer or any other person (other than Owner).
- (E) Charterer's obligation to keep the Vessels insured as provided herein shall continue until the Vessels are returned to Owner pursuant to Section 26 hereunder.
- (F) Notwithstanding anything in this Section 34 to the contrary, Owner agrees that insurance coverage as required herein may be maintained by Subcharterer, or any other subcharterer prior authorized in writing by Owner as provided herein. **NOTWITHSTANDING THE FACT THAT SUCH SUBCHARTERER MAY MAINTAIN SUCH INSURANCE, CHARTERER REMAINS LIABLE TO ENSURE THAT INSURANCE IS MAINTAINED EITHER BY CHARTERER OR BY SUCH PRIOR AUTHORIZED SUBCHARTERER, AND CHARTERER REMAINS PRIMARILY LIABLE FOR ANY PHYSICAL LOSS OR DAMAGE TO ANY VESSEL.**
- (G) Nothing in this Charter shall prohibit Owner from placing any additional insurance it desires covering the Vessels at its own expense.

35. TERMINATION OPTIONS

Provided Charterer shall have complied with all terms and conditions of the Charter and provided Charterer shall not be in default as defined in Section 20 herein, Charterer shall, at least one hundred twenty (120) days prior to the Expiration Date of the Charter, notify Owner of its intent to exercise one of the following options:

- (A) Provided Charterer has complied, and is in compliance, with all terms and conditions of this Charter, Charterer may continue to Charter all, but not less than all, of the Vessels for an amount equal to their fair market rental/charter hire value on a year-to-year basis for no more than two (2) years. Each such Charter renewal will be subject to the approval of Owner's investment committee. Failing such committee approval, Charterer may elect within 10 days of such failure of approval option (B) or (C) below.
- (B) Charterer shall have the option to purchase all but not less than all of the Vessels at a cost equal to a percentage (as set forth in the Schedule A's) of the total cost of the Vessels, this being the Owner's estimate of the fair market value of the Vessels at the Expiration Date. Payment for

purchase of the Vessels must be received on or before the Expiration Date.

- (C) Charterer, at its sole risk and expense, shall on the Expiration Date immediately return all but not less than all of the Vessels under such expired Schedule A's to Owner pursuant to Section 26 hereof in the condition set forth in Section 23 herein, at such location and at such time as Owner shall designate.

If Charterer elects option (A) at the Expiration Date, upon the expiration of the renewal period, Charterer shall have the option to purchase the Vessels at a cost equalling the then fair market value as determined by the Owner or return the Vessels on the expiration date of the renewal period pursuant to option (C) above. The determination of fair market value will assume the Vessels to be in the condition as described in Section 23 herein, irrespective of the actual condition of the Vessels.

36. SEPARATE LEGAL ENTITIES

Although the Subcharterer (Cargo Carriers, a division of Cargill Marine & Terminal, Inc.) is an affiliate of Owner (Cargill Leasing Corporation), the parties hereby expressly acknowledge and agree that (i) Owner and Subcharterer are separate and distinct legal entities, and (ii) that Charter's contract with Owner (i.e., this Charter) and Charterer's contract with Subcharterer (i.e., the Subcharter Agreement attached hereto as Exhibit G and incorporated herein), are separate and distinct contracts with such separate and distinct legal entities. Therefore, a breach by Subcharterer under such Subcharter Agreement in no event and in no way justifies, authorizes, or permits Charterer to breach its obligations and duties to Owner under this Charter. To state this another way, in the event that Subcharterer breaches its duties or obligations to Charterer under such Subcharter Agreement, Charterer shall continue to be obligated to perform all of its obligations and duties to Owner under this Charter.

37. THIS SECTION IS INTENTIONALLY LEFT BLANK

38. CITIZENSHIP

The Charterer warrants that it is now, and will be throughout the entire Charter Term, a citizen of the United States within the meaning of Section 2 of The Shipping Act of 1916 as amended.

39. CHOICE OF LAWS AND JURISDICTION

Charterer hereby consents to jurisdiction and venue of the federal courts sitting in the State of Minnesota, and if such federal jurisdiction and venue is not available, Charterer hereby consents to jurisdiction and venue in the state courts sitting in the State of Minnesota, for purposes of resolving all disputes of any nature whatsoever regarding the Charter, or any transaction contemplated hereby and Charterer hereby waives objection which it may now or hereafter have to the laying of jurisdiction or venue in the federal or state courts of Minnesota. Owner and Charterer agree that a summons and complaint commencing an action or proceeding in any such court shall be properly served and shall confirm personal jurisdiction if served personally, by certified mail to it at its address designated pursuant to this Charter, or as otherwise provided under the respective rules of the state or federal courts of Minnesota.

THIS CHARTER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MINNESOTA, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY, AND PERFORMANCE, REGARDLESS OF THE STATE OF MINNESOTA'S CHOICE OF LAW PROVISIONS.

40. MISCELLANEOUS

- (A) Any provision of this Charter which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

- (B) Time is of the essence with respect to this Charter.
- (C) The captions in this Charter are for convenience only and shall not define or limit any of the terms hereof.
- (D) The parties hereto acknowledge by initialing immediately below that no waiver, amendment, recharter or modification of this Charter shall be established by conduct, custom, or course of dealing but solely by an instrument in writing duly executed by the parties hereto.

Owner: *[Signature]* Charterer: _____

- (E) This Charter consists of the foregoing and the Exhibits and Schedules referred to herein and correctly sets forth the entire Agreement between Owner and Charterer. No agreements or understandings shall be binding on either of the parties hereto unless specifically set forth in this Charter.
- (F) This Charter may be executed in any number of counterparts and each such counterpart shall be for all purposes deemed to be an original.

IN WITNESS WHEREOF, the parties have caused this Charter to be executed and delivered at _____ as of the day and year first written above.

CARGILL LEASING CORPORATION

BY: *[Signature]*
(Signature)

PHILIP J. MARTINI
(Print Name)

ITS: PRESIDENT
(Print Title)

DATE: 1/28/93

ATTEST/
WITNESS: *[Signature]*

IOWA FLEETING SERVICE, INC.

BY: *[Signature]*
(Signature)

John Eckstein
(Print Name)

ITS: V. President
(Print Title)

DATE: 12-22-92

ATTEST/
WITNESS: *[Signature]*

CORPORATE ACKNOWLEDGEMENT
OF THE BAREBOAT CHARTER No. 02337 BETWEEN
CARGILL LEASING CORPORATION AND
IOWA FLEETING SERVICE, INC.
(Page 1 of 2)

The following serves to acknowledge for purposes of Interstate Commerce Commission filings the parties' signatures to the Bareboat Charter No. 02337 between Cargill Leasing Corporation and Iowa Fleeting Service, Inc.:

CARGILL LEASING CORPORATION

BY: 

Philip J. Martini

ITS: President

DATE: 29 January 1993

STATE OF Minnesota)

COUNTY OF Wright)

On this 29th day of January, 1993, before me personally appeared Philip J. Martini, to me personally known, who, being by me duly sworn, did say that he is President of Cargill Leasing Corporation, the corporation described in and which executed the above Bareboat Charter instrument; that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

My commission expires:

Jan. 12, 1994



CORPORATE ACKNOWLEDGEMENT
OF THE BAREBOAT CHARTER No. 02337 BETWEEN
CARGILL LEASING CORPORATION AND
IOWA FLEETING SERVICE, INC.
(Page 2 of 2)

IOWA FLEETING SERVICE, INC.

BY: [Signature]
John P. Eckstein

ITS: Vice President

DATE: 28 January 1993

STATE OF Kentucky)
COUNTY OF McCracken)

On this 28th day of January, 1993, before me personally appeared John P. Eckstein, to me personally known, who, being by me duly sworn, did say that he is Vice President of Iowa Fleeting Service, Inc., the corporation described in and which executed the above Bareboat Charter instrument; that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature]
Notary Public

My commission expires:
2/10/94

CARGILL LEASING CORPORATION (Herein called Owner)

Lease No. 02337-01

SCHEDULE A

Charterer Name: Iowa Fleeting Service, Inc.
2308 South 4th Street
Paducah, KY 42001

1. The Charter Term for the Vessels covered by this Schedule shall commence on ~~January 29, 1993~~ ^{February 15th}, 1993 ("Commencement Date") and shall continue for a period of ninety-six (96) months. As Rent for the Vessels covered by this Schedule throughout the Charter Term thereof, Charterer hereby agrees to pay Owner the sum of \$465,000.00 on ~~January 29, 1993~~ ^{February 15th}, followed by the sum of \$30,413.40 per month, beginning ~~February 26, 1993~~ ^{March 15th}, and the same amount on the ~~26th~~ day of each of the ninety-four (94) consecutive months thereafter. Rent shall be paid to Owner at SDS 12-0552, Minneapolis, MN 55486, or at such other location as Owner may from time to time instruct Charterer in writing.

2. The Vessels covered by this Schedule has a depreciable life of ten (10) years.

3. Charterer agrees that if it exercises any termination option pursuant to Section 35 of the Bareboat Charter with respect to the Vessels under this Schedule A No. 02337-01, Charterer shall be deemed to have exercised the same termination option under any other Schedule A No. 02337-XX involving the remainder of the twenty-six (26) Vessels referenced in Section 1 of the Bareboat Charter.

4. Subject to Section 35 of the Bareboat Charter, Charterer agrees that if it elects to purchase the Vessels under this Schedule A No. 02337-01 for the percentage of the total Vessel cost stated below, Charterer shall be deemed to have elected to purchase the Vessels under any other Schedule A No. 02337-XX involving the remainder of the twenty-six (26) Vessels referenced in Section 1 of the Bareboat Charter.

5. The following Vessels are hereby chartered on the terms specified in this Schedule and this Schedule becomes a part of and subject to the terms and conditions of that certain Bareboat Charter No. 02337, dated December 22, 1992, which, except as modified herein, remains in full force and effect.

Quantity	Vessel	Official No.	Hull No.	Total
Fifteen (15)	Hopper Barges with Fiberglass Lift Covers (see attached Exhibit A Vessel, Hill and Official Numbers)			\$3,243,750.00
One (1)	Hopper Barge with Fiberglass Lift Cover			\$ 216,250.00
The Estimate of Fair Market Value at Lease Termination is 55% or \$1,903,000.00				
				Total Cost \$3,460,000.00

Place of Delivery: Louisville, KY / Jefferson County

EXHIBIT A
TO
SCHEDULE A NO. 02337-01

Page 2 of 3

<u>VESSEL</u>	<u>OFF. NO.</u>	<u>HULL NO.</u>
MTC 261B	989811	92-2733
MTC 262B	989812	92-2734
MTC 263B	989813	92-2735
MTC 264B	989814	92-2736
MTC 265B	989815	92-2737
MTC 266B	989816	92-2738
MTC 267B	989817	92-2739
MTC 268B	989818	92-2740
MTC 269B	989819	92-2741
MTC 270B	989820	92-2742
MTC 271B	989821	92-2743
MTC 272B	989822	92-2744
MTC 273B	989823	92-2745
MTC 274B	989824	92-2746
MTC 275B	989825	92-2747
MTC 260B	984523	92-2627

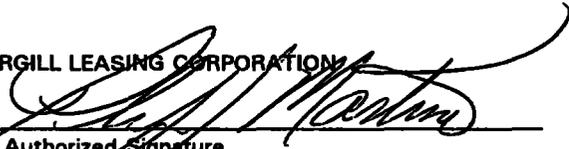
SCHEDULE A
Stipulated Loss Value (SLV) Schedule
Percent of Original Equipment Cost

*MONTH	SLV	*MONTH	SLV	*MONTH	SLV
1	96.7828	33	86.2820	65	72.1158
2	96.2169	34	86.1298	66	71.6153
3	95.9588	35	85.5054	67	71.2771
4	96.0028	36	85.1115	68	70.7688
5	95.4331	37	84.9414	69	70.0938
6	95.1657	38	84.3122	70	69.7418
7	95.1950	39	83.9069	71	69.0643
8	94.9155	40	83.7188	72	68.5439
9	94.3387	41	83.0847	73	68.1754
10	94.3432	42	82.6679	74	67.4936
11	93.7618	43	82.4620	75	66.9627
12	93.4675	44	82.0383	76	66.5775
13	93.4508	45	81.3961	77	65.8913
14	92.8635	46	81.1743	78	65.3499
15	92.5556	47	80.5313	79	64.9466
16	92.5175	48	80.0934	80	64.3970
17	91.9242	49	79.8549	81	63.7049
18	91.6025	50	79.2073	82	63.2870
19	91.5462	51	78.7587	83	62.5922
20	91.2134	52	78.5032	84	62.0300
21	90.6133	53	77.8511	85	61.5948
22	90.5357	54	77.3916	86	60.8955
23	89.9317	55	77.1183	87	60.3222
24	89.5853	56	76.6505	88	59.8695
25	89.4886	57	75.9925	89	59.1656
26	88.8792	58	75.7047	90	58.5812
27	88.5205	59	75.0442	91	58.1095
28	88.4043	60	74.5645	92	57.5166
29	87.7896	61	74.2605	93	56.8064
30	87.4183	62	73.5956	94	56.3192
31	87.2842	63	73.1055	95	55.6063
32	86.9031	64	72.7851	96	55.0000

*DESIGNATES BEGINNING OF SUCH MONTH NUMBER

BY EXECUTION HEREOF, THE SIGNER HEREBY CERTIFIES THAT HE HAS READ BOTH PAGES OF THIS SCHEDULE A AND THAT HE IS DULY AUTHORIZED TO EXECUTE SAME ON BEHALF OF LESSEE.

CARGILL LEASING CORPORATION

By: 
 Authorized Signature

Title: President

Date of Execution 8-28-95

IOWA FLEETING SERVICE, INC.

By: 
 Authorized Signature

Title: V. President

EXHIBIT B
DELIVERY AND ACCEPTANCE CERTIFICATE
(Page 1 of 1)

CHARTERER: Iowa Fleeting Service, Inc., 2308 South 4th Street, Paducah, KY 42001

Charterer hereby certifies as follows:

- (A) that all Vessels described on Schedule A, No. _____, or Exhibits attached thereto between Cargill Leasing Corporation (herein called "Owner") and Charterer, has been furnished;
- (B) that delivery has been fully completed as required;
- (C) that Charterer has had a reasonable opportunity to inspect the Vessels;
- (D) that the Vessels are in conformity in all respects with the Charter;
- (E) that there are no non-conformities Charterer assumes will be cured; and
- (F) that Charterer's acceptance of the Vessels has not been induced by any assurances by Owner.
- (G) Charterer will therefore not reject or revoke its acceptance of the Vessels.

Charterer represents, warrants, and agrees as follows that:

- (A) the representations and warranties of Charterer in Section 30 of the Charter are true and correct on and as of the acceptance date below as though made as of that date;
- (B) Owner did not select, manufacture, or supply the Vessels;
- (C) Owner has acquired the Vessels in connection with the Charter;
- (D) Charterer has received a copy of, and approved, the Purchase Agreement between Charterer and Builder, and a copy of the Assignment of Purchase Agreement, in which Charterer assigns its rights under the Purchase Agreement with regard to twenty six Vessels to Owner, before signing this Delivery and Acceptance Certificate;
- (E) the Vessels will not be used primarily for family, personal, or household uses; and
- (F) there has been no adverse change in the business or financial condition of Charterer or either of the Guarantors since the day that the most recent financial statement was submitted to Owner.

Charterer acknowledges that Owner is not liable for the performance of the Vessels and agrees that all Charter Hire payments will be made regardless of Vessel operability. Any decals or metal plates supplied by Owner will be affixed to the Vessels in accordance with instructions from Owner.

In view of the above, the undersigned hereby authorizes Owner to pay for the Vessels in accordance with the terms of the Assignment of the Purchase Agreement for the same.

CHARTERER: IOWA FLEETING SERVICE, INC. Dated: _____, 19 ____

By: _____
(Signature)

(Print Name)

Title: _____

EXHIBIT C

GUARANTY AND INDEMNITY (Page 1 of 3)

For good and valuable consideration, the receipt of which is acknowledged, and as inducement to Cargill Leasing Corporation, of 6000 Clearwater Drive, Minnetonka, Minnesota 55343-9497, a Delaware corporation (hereinafter referred to as "Cargill") to enter into that certain Bareboat Charter No. 02337, dated December ___, 1992, which is attached hereto and incorporated herein (hereinafter referred to as "Charter") with Iowa Fleeting Service, Inc., of 2308 South 4th Street, Paducah, Kentucky, 42001, a Delaware corporation, (hereinafter referred to as "Obligor"), the Undersigned, Kathryn A. Eckstein and Ray A. Eckstein, jointly and severally, unconditionally and irrevocably guarantee the payment and full and prompt performance of all presently existing and future indebtedness and obligations of Obligor to Cargill, including but not limited to all presently existing and future indebtedness and obligations Obligor owes to Cargill under the Charter and any related documents such as:

- (A) the payment of all Charter Hire and any other amounts due under the Charter (including but not limited to any amounts due during any renewal term of the Charter),
- (B) the performance of all other obligations of the Obligor under the Charter (including but not limited to the return of the Vessels at the expiration of the term of the Charter),
- (C) payment of all damages owing by the Obligor as a result of the Obligor's default under the Charter, and
- (D) any amendments, modifications, renewals, or extensions of the Charter.

The Undersigned further agree to indemnify Cargill against any losses it may sustain and expenses it may incur, including but not limited to reasonable attorney fees, as a result of (1) any wrongful act of Obligor with respect to the performance of Obligor's obligations to Cargill, and (2) successfully enforcing any of Cargill's rights under the Charter or this Guaranty and Indemnity.

The Undersigned agree that it shall not be necessary, as a condition to enforce this Guaranty and Indemnity, that suit be first instituted against Obligor or that any rights or remedies against Obligor be first exhausted. It being understood and agreed that the liability of the Undersigned hereunder shall be primary, direct, and in all respects unconditional.

For purposes of this Guaranty and Indemnity, all sums owing to Cargill by Obligor shall be deemed to have become immediately due and payable if there is an Event of Default under Section 20 of that certain Charter, or if Obligor or Undersigned default in any other obligation they may have to Cargill.

This shall be a continuing, irrevocable, absolute, and unconditional Guaranty and Indemnity and shall remain in full force and effect until each and all obligations of Obligor to Cargill have been fully and satisfactorily discharged, and the Undersigned shall have fully and satisfactorily discharged all of its obligations to Cargill under this Guaranty and Indemnity. Irrespective of the lack of any notice to or consent of Undersigned, their obligations hereunder shall not be impaired in any manner whatsoever, and Undersigned shall not be released from their obligations hereunder:

- (A) if Cargill renews, extends, accelerates, modifies, amends, waives or otherwise changes the payment schedule, or other terms and obligations of Obligor, Undersigned, or third parties under the Charter or otherwise covered by this Guaranty and Indemnity,
- (B) if Cargill accepts partial payments from Obligor or Undersigned,
- (C) if Cargill takes and applies any security and exercises any remedy against Obligor,
- (D) if Cargill amends, exchanges, substitutes, sells, waives, subordinates or releases any Vessels or

other security or any obligations of Obligor, Undersigned, or third parties under the Charter or otherwise covered by this Guaranty and Indemnity,

- (E) if Cargill settles, releases, compounds, compromises, adjusts, collects or otherwise liquidates the obligations of Obligor, Undersigned or other parties covered by this Guaranty and Indemnity and any Vessels or additional security,
- (F) if Cargill consents to the Obligor subchartering the Vessels,
- (G) if Cargill extends further credit to Obligor or enters into a new agreement(s) with Obligor, or Obligor undertakes additional obligations to Cargill,
- (H) by any compositions, extensions, moratoria or other relief granted to Obligor,
- (I) by any interruptions in the business relations between Cargill and Obligor, and
- (J) by any incorrectness, fictitiousness, invalidity, or unenforceability, for any reason, of any instrument or writing, or acts of commission or omission by Cargill or Obligor.

Undersigned waive notice of Cargill's acceptance hereof, of default and non-payment by Obligor or any other parties, of presentments, protests and demands for performance, of non-performance, of the existence, creation, or incurring of any obligation covered by this Guaranty and Indemnity, and of all other matters of which Undersigned otherwise might be entitled.

Undersigned shall furnish Cargill during the Charter Term hereof with annual financial statements and such other financial information as Cargill may from time to time request including, without limitation, reports filed with federal or state regulatory agencies. Undersigned hereby warrants and represents that all financial statements heretofore and hereafter delivered to Cargill by or upon behalf of Undersigned, and any statements and data submitted in writing to Cargill in connection with this Charter, are true and correct and present fairly the financial condition of Undersigned for the period involved.

The obligations hereunder of each of Undersigned shall be binding upon their respective estates, heirs and personal representatives. The death or release from liability hereunder of any of Undersigned shall not relieve the other from liability hereunder.

Kathryn A. Eckstein hereby acknowledges the existence of a two million dollar (\$2,000,000.00) note issued by Obligor to Kathryn A. Eckstein, and promises to convert such note to common stock equity of Obligor prior to December 31, 1992, and further promises to maintain such amount as equity throughout the entire term of the Charter.

This Guaranty and Indemnity agreement shall be governed and construed in accordance with the laws of the State of Minnesota (without regard to its conflict of law provisions). Undersigned consent to jurisdiction and venue in the federal courts sitting in the state of Minnesota, or if federal jurisdiction and venue is not possible, in the jurisdiction and venue in the state courts sitting in the State of Minnesota.

None of the terms of provisions of this Guaranty and Indemnity may be waived, amended, altered, modified, or terminated except by an instrument signed by the party against which enforcement of such waiver, amendment, alteration, modification, or termination is sought.

The invalidity, illegality, or unenforceability of any provision of this Guaranty and Indemnity shall not affect the validity, legality, or enforceability of any other provision of this Guaranty and Indemnity.

This Guaranty and Indemnity is assignable by Cargill without notice to Undersigned, shall be construed liberally in favor of Cargill and shall inure to the benefit of its successors and assigns. If Obligor should default in the performance of any of Obligor's obligations to Cargill and if any third party makes any payment to Cargill with respect thereto, such third party shall, to the extent thereof, be subrogated to all of Cargill's rights against Undersigned hereunder.

Executed this _____ day of _____, 1992.

Witness/
Attest _____

Guarantor
Ray A. Eckstein _____
(Sign Name)

(Print Name)

Home Address _____

Social Sec. # _____

Witness/
Attest _____

Guarantor
Kathryn A. Eckstein _____
(Sign Name)

(Print Name)

Home Address _____

Social Sec. # _____

EXHIBIT D

**IOWA FLEETING SERVICE, INC.
SECRETARY AND INCUMBENCY CERTIFICATE
(With Attachment A to Exhibit D being the Board Resolution)
(Page 1 of 3)**

The undersigned, _____, does hereby certify that:

1. He/She is a duly elected, qualified, and acting Secretary of Iowa Fleeting Service, Inc. a corporation duly organized and existing under the laws of the State of Delaware ("Charterer") and as Secretary has custody of the corporate records of the Charterer and its corporate seal and is authorized to execute and deliver this Certificate.
2. Attached hereto as Exhibit A is a true and correct copy of a resolution adopted by the Board of Directors of the Charterer by written consent dated _____, 1992, as appears from records of the Charterer and that such resolution (i) has not been revoked, modified, amended, or rescinded and is in full force and effect, and (ii) was adopted in compliance with the articles of incorporation and by-laws of the Charterer.
3. Attached hereto as Exhibit B is a true and complete copy of the Certificate of Incorporation of Charterer, as amended _____, _____, and which remains in full force and effect as of the date hereof.
4. Attached hereto as Exhibit C is a true and complete copy of the By-Laws of Charterer, as amended _____, _____, and which remains in full force and effect as of the date hereof.
5. The persons whose names, titles, and signatures appear below are duly elected, qualified, and acting officers of the Charterer, and hold the office set forth opposite their respective names, and the signatures appearing above their respective names are the genuine signatures of such officers.

Name

Office

(Print Name)

President

(Sign Name)

(Print Name)

Vice President

(Sign Name)

(Print Name)

Secretary

(Sign Name)

IN WITNESS WHEREOF, the undersigned has set his/her hand and the seal of the Charterer this _____ day of December, 1992.

(Seal)

(Signature of Secretary)

(Printed name of Secretary)

Date: December ____, 1992

I, _____ (name), _____ (title) of Iowa Fleeting Services, Inc. do hereby certify that _____ (name of Secretary) is, as of the date hereof, the duly elected, qualified and acting Secretary of the Charterer and that the signature set forth above is her true signature.

(By: Sign Name)

(By: Print Name)

(Its: Print Title)

Date: December ____, 1992

ATTACHMENT A TO EXHIBIT D

**BOARD RESOLUTION AUTHORIZING THE
BAREBOAT CHARTER WITH CARGILL LEASING CORPORATION**

Date: _____

Cargill Leasing Corporation
6000 Clearwater Drive
Minnetonka, MN 55343-9497

The following resolution has been presented to and duly adopted by our Board of Directors at a meeting duly and regularly held on the _____ day of _____, 19____:

"WHEREAS this Company, Iowa Fleeting Service, Inc., has entered or will enter into an agreement entitled Bareboat Charter ("Charter") No. 02337 with Cargill Leasing Corporation relating to the chartering by this Company from said Cargill Leasing Corporation of certain vessels, as will be evidenced by the corresponding Schedule A's executed in conjunction with the Charter."

"NOW, therefore, be it resolved that the said Charter be approved and that the action of the officer or officers of this company in signing said Charter on behalf of this company is hereby authorized, ratified and confirmed."

"BE it further resolved that any officer of this company is hereby authorized to sign on behalf of this company any Schedules issued under the provisions of said Charter and any other instrument or document which may be necessary or expedient in connection with the fulfillment of the provisions of said Charter, or any amendment, modification, extension, or renewal thereof."

"BE it further resolved that these authorized actions are in the best interest of this Company."

"BE it further resolved that said Cargill Leasing Corporation may rely on this Resolution until the same has been rescinded and Cargill Leasing Corporation notified thereof in writing."

Sincerely yours,

CHARTERER: IOWA FLEETING SERVICE, INC.

(Seal)By:

By: _____
(Sign Name)

(Print Name)

Attest:

Title: _____

(Secretary)

EXHIBIT E

ASSIGNMENT OF THE PURCHASE AGREEMENT (Page 1 of 2)

THIS AGREEMENT dated as of December ____, 1992, between CARGILL LEASING CORPORATION, of 6000 Clearwater Drive, Minnetonka, Minnesota 55343-9497, a Delaware corporation (hereinafter referred to as "Assignee") and IOWA FLEETING SERVICE, INC., of 2308 South 4th Street, Paducah, Kentucky, 42001, a Delaware corporation (hereinafter referred to as "Assignor") such agreement hereinafter referred to as the "Assignment";

WITNESSETH:

WHEREAS, the Assignor has entered into a Barge Purchase Agreement with JEFFBOAT, a division of AMERICAN COMMERCIAL MARINE SERVICE COMPANY, of P.O. Box 610, 1030 East Market Street, Jeffersonville, Indiana 47130, a Delaware company (hereinafter referred to as "Builder"), dated _____, 19__, (hereinafter referred to as the "Purchase Agreement") a copy of which is attached hereto, for the purchase of fifty (50) hopper barges with fiberglass lift covers having principal characteristics and dimensions of: 200' x 35' x 12' (twenty-five of which, that are the subject of this Assignment, are hereinafter referred to as the "Twenty-Five (25) Vessels"),

WHEREAS the Assignee, as Owner, and the Assignor, as Charterer, have entered into that certain Bareboat Charter No. 02337 dated December ____, 1992 (hereinafter referred to as the "Charter"), pursuant to the terms and conditions of which Assignor will Charter from the Assignee, inter alia, twenty-six (26) vessels; twenty-five (25) of which Assignee will purchase new from the Builder through the rights obtained under this Assignment, and one (1) of which Assignee will purchase from Assignor;

WHEREAS, Assignee wishes to charter Twenty-Five (25) Vessels pursuant to the terms and conditions in the Charter, and Assignor is willing to assign to the Assignee, on the terms and conditions hereinafter set forth, the Assignor's rights and interest under the Purchase Agreement to the extent (but only to the extent) that the Purchase Agreement pertains to the purchase of the Twenty-Five (25) Vessels, and the Assignee is willing to accept such assignment;

WHEREAS, the Purchase Agreement also pertains to vessels other than and in addition to the Twenty-Five (25) Vessels which are the subject of this Assignment; and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. The Assignor has sold, assigned, transferred and set over and does hereby sell, assign, transfer and set over unto the Assignee all the Assignor's right, title and interest in and to the Purchase Agreement to the extent (but only to the extent) that the Purchase Agreement pertains to the purchase of the Twenty-Five (25) Vessels, including (without limitation) all right, title and interest derived thereunder in and to the Twenty-Five (25) Vessels; reserving to the Assignor, however, all the Assignor's right, title and interest in and to the Purchase Agreement as to any matters other than matters with respect to the purchase of the Twenty-Five (25) Vessels. The Assignee hereby accepts such assignment.
2. It is expressly agreed that, notwithstanding anything herein contained to the contrary:
 - (A) The Assignor shall at all times remain liable to Builder under and in accordance with the Purchase Agreement except for the payment of the purchase price of the Twenty-Five (25) Vessels as specified in Section 2(B) below, and
 - (B) The Assignee shall not (i) have any obligations or liability under the Purchase Agreement by

reason of, or arising out of, this Assignment, or (ii) be obligated to perform any other obligations or duties of the Assignor under the Purchase Agreement or to make any payment whatsoever, other than to pay the purchase price for the Twenty-Five (25) Vessels in the following amount and at the following time, notwithstanding any contrary payment terms in the Purchase Agreement:

- (1) Assignee will pay _____ on the closing date of January __, 1992 for twelve (12) of the Twenty-Five (25) Vessels, and will pay _____ on the closing date of February __, 1992, for thirteen (13) of the Twenty-Five (25) Vessels, provided that the conditions of funding and purchasing the vessels detailed in the Charter under Section 7 have been satisfied.
 - (C) The Assignor hereby agrees to indemnify the Assignee for, and hold it harmless against, any liability, cost or expense incurred as a result of the Assignor's failure to perform any obligation other than payment of such purchase price in accordance with the terms of section 2(B) above of this Assignment.
3. The Assignor agrees that at any time and from time to time, upon written request from the Assignee, the Assignor will promptly and duly exercise and deliver any and all such further instruments and documents and take such further action as the Assignee may reasonably request in order to obtain the full benefits of this Assignment and the rights and powers herein granted.
4. The Assignor hereby represents and warrants the following:
- (A) The Purchase Agreement is in full force and effect and enforceable in accordance with the terms, and the Assignor is not in default thereunder;
 - (B) The Assignor has not paid as of the closing date of _____, 19__, and will not pay at any time thereafter, any part of the purchase price of the Twenty-Five (25) Vessels;
 - (C) The Assignor has not assigned or pledged, and hereby covenants that it will not assign or pledge, so long as this Assignment shall remain in effect, the whole or any part of the rights hereby assigned herein to Assignee to anyone other than the Assignee, and
 - (D) The Assignor will not, so long as this Assignment shall remain in effect, enter into any agreement with the Builder which would materially amend or modify, or rescind, cancel, or terminate, the Purchase Agreement as it relates to the purchase of the Twenty-Five (25) Vessels without the prior written consent of the Assignee, which consent shall not be unreasonably withheld.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as of _____, 199__.

ASSIGNEE:
CARGILL LEASING CORPORATION

By: _____
(Sign Name)

(Print Name)

Its: _____
(Print Title)

ASSIGNOR:
IOWA FLEEING SERVICE, INC.

By: _____
(Sign Name)

(Print Name)

Its: _____
(Print Title)

EXHIBIT F

SUBCHARTER CONSENT AGREEMENT

(Page 1 of 2)

THIS AGREEMENT is made by and between the following three parties:

1. CARGILL LEASING CORPORATION, of 6000 Clearwater Drive, Minnetonka, Minnesota 55343-9497, a Delaware corporation (hereinafter referred to as "Owner"),
2. IOWA FLEETING SERVICE, INC. of 2308 South 4th Street, Paducah, Kentucky, 42001, a Delaware corporation (hereinafter referred to as "Charterer"), and
3. CARGO CARRIERS, a division of CARGILL MARINE & TERMINAL, INC. P.O. Box 9300, Minneapolis, Minnesota, 55440, a Delaware corporation (hereinafter referred to as "Subcharterer").

WHEREAS, Owner and Charterer entered into that certain Bareboat Charter No. 02337, dated December __, 1992, attached hereto and incorporated herein (hereinafter referred to as the "Charter") for the charter of twenty-six (26) vessels (hereinafter referred to as the "Vessels"), which Charter provides that Charterer may not subcharter the Vessels without the Owner's prior written consent;

WHEREAS, Charterer and Subcharterer entered into that certain Cargo Barge Bareboat Charter dated May 1, 1992, attached hereto and incorporated herein (hereinafter referred to as the "Subcharter") for the charter of one hundred and four (104) covered hopper barges; twenty-six (26) of which will be the Vessels involved in this Subcharter Consent Agreement.

WHEREAS, Charterer desires to obtain the consent of Owner under the Charter to subcharter the Vessels to Subcharterer, and Owner desires to give such consent subject to the terms and conditions specified herein;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. Owner hereby consents to Charterer subchartering the twenty-six (26) Vessels to Subcharterer, and Subcharterer acknowledges that Owner is the owner of such twenty-six (26) Vessels. Further, Owner consents to Subcharterer obtaining and maintaining the insurance required under section 34(A)(1) and (2) of the Charter, and Subcharterer agrees to obtain and maintain such insurance. Notwithstanding such consent by Owner, Charterer remains bound and liable to comply with all terms and conditions in the Charter.
2. Subcharterer acknowledges that under Section 11 of the Charter, Charterer has assigned its rights under the Subcharter (related to the twenty-six (26) Vessels) to Owner, and Owner has covenanted that Owner will not interfere with Charterer's quiet enjoyment of such Subcharter during the term of the Charter so long as (i) Charterer is in compliance with the terms and conditions of the Charter, and (ii) no Event of Default under the Charter has occurred or is occurring.
3. In the event that Charterer is in default under the Charter, Charterer hereby irrevocably directs Subcharterer to make, and Subcharterer agrees to make, all payments of amounts due and payable under the Subcharter directly to Owner at SDS 12-0552, Minneapolis, MN 55486. Such irrevocable direction shall remain in full force and effect until Owner notifies Subcharterer in writing otherwise.
4. Subcharterer shall not sub-subcharter the Vessels for a period longer than ninety (90) consecutive days without notice to, and prior written consent of, Owner.
5. Charterer and Subcharterer represent and warrant:
 - (A) that the Subcharter attached hereto and incorporated herein constitutes the entire and current

agreement between the parties with regard to the subcharter of the twenty-six (26) Vessels, and that the respective party is not in default under the Subcharter, and

- (B) that neither party shall materially change the terms of the Subcharter as such terms relate to the twenty-six (26) Vessels without Owner's prior written consent, and
- (C) Subcharterer has not made, and will not make, any prepayment of any charter hire or other amounts due under the Subcharter.

6. The parties hereby acknowledge by initialling immediately below that the Subcharter Consent Agreement may not be waived, amended, or modified except by a writing signed by all of the parties hereto:

(Owner) (Charterer) (Subcharterer)

7. This Subcharter Consent Agreement may be executed in any number of counterparts and each such counterpart shall be for all purposes deemed to be an original.

IN WITNESS WHEREOF, the parties have caused this Subcharter Consent Agreement to be executed and delivered at December ___, 1992.

CARGILL LEASING CORPORATION (OWNER)

By: _____
(Sign Name)

(Print Name)

Its: _____
(Print Title)

Date: _____

IOWA FLEETING SERVICE, INC. (CHARTERER)

By: _____
(Sign Name)

(Print Name)

Its: _____
(Print Title)

Date: _____

CARGO CARRIERS, a division of CARGILL MARINE & TERMINAL, INC. (SUBCHARTERER)

By: _____
(Sign Name)

(Print Name)

Its: _____
(Print Title)

Date: _____

EXHIBIT G

SUBCHARTER AGREEMENT

CARGO BARGE BAREBOAT CHARTER

This CARGO BARGE BAREBOAT CHARTER dated as of this 1st day of May, 1992, between IOWA FLEETING SERVICE, INC., a Delaware corporation (hereinafter called "Iowa"), and CARGO CARRIERS, A DIVISION OF CARGILL MARINE & TERMINAL, INC., with office at Minneapolis, Minnesota (hereinafter called "CCI");

WITNESSETH:

WHEREAS, Iowa is the sole owner and/or agent for various owners of the vessels described in the attached Schedule A and Schedule B and Iowa will be the sole owner of the vessels to be described in the attached Schedule C, (hereinafter the vessels listed on Schedules A, B and C are collectively called the "Vessels"), and CCI desires to charter the Vessels at the charter hire and for the term and upon the conditions hereinafter provided;

NOW, THEREFORE, in consideration of the premises and of the charter hire to be paid and the covenants hereinafter mentioned to be performed, Iowa hereby lets and demises and CCI hereby hires the Vessels on the following terms and conditions, namely:

1. Delivery and Acceptance of Vessels.

(a) Beginning December 15, 1987, and ending March 1, 1988, an on charter survey was made on one hundred four (104) covered hopper barges of various types and ages,

each of the 104 covered hopper barges was and is owned by Iowa and, CCI accepted delivery of each of the 104 covered hopper barges on a bareboat charter basis pursuant to the Cargo Barge Bareboat Charter between Iowa and CCI dated December 4, 1987. CCI intends to retain these 104 covered hopper barges on charter until December 31, 1997, according to the terms and conditions of this Charter; provided, however, one or more of the barges listed on Schedule D may be returned to Iowa by CCI before December 31, 1997.

(b) Iowa also owns the seven (7) covered hopper barges with rolling steel covers described in Schedule B; these seven (7) barges were built in 1966 and then resided and otherwise refurbished in 1991. Iowa is presently operating all seven of these barges on the Inland Waterways hauling grain from various locations to New Orleans, Louisiana. An on charter survey shall be made on each of these seven (7) vessels as it unloads after April 15, 1992. The parties shall agree on a surveyor to make such on charter surveys, and their costs shall be paid equally by and between the parties.

If such surveys show these seven (7) vessels to be in a good, seaworthy condition, CCI shall take delivery of them at 7:00 A.M. following the completion of such on charter surveys at their then present location. Delivery of these vessels may also be made to other points by mutual agreement of the parties.

If such surveys show that any one or more of the seven (7) vessels is not in a good, seaworthy condition, then Iowa

shall make the necessary repairs to put it in a good, seaworthy condition, and CCI shall take delivery of it at 7:00 A.M. following the completion of such repairs at its then location.

(c) Iowa intends to purchase eighty-five (85) new box type hopper barges with fiber glass lift type covers; these 85 barges shall be described in Schedule C as soon as practicable. Iowa shall let and CCI shall charter these 85 box type covered hopper barges according to the terms and conditions of this Charter. Delivery of these 85 box type covered hopper barges shall be made to CCI at Reserve, Louisiana or some other point by mutual agreement of the parties. Delivery shall be made as each of these 85 vessels unloads after May 1, 1992. The first sixty (60) box type covered hopper barges are scheduled to be delivered to CCI by August 31, 1992, unless construction of these vessels is delayed by the shipyard. The next twenty-five (25) box type covered hopper barges are scheduled for delivery to CCI any time after May 1, 1992, but no later than March 31, 1993.

Since these 85 barges shall be new construction, the parties do not intend to have an on charter survey made on each of these 85 vessels. However, should any barge be suspected of having damage, then that barge shall have an on charter survey as soon as possible to determine if the vessel is in a good, seaworthy condition. If such survey shows such barge to be in a good, seaworthy condition, CCI shall take delivery of the

barge at 7:00 A.M. following the completion of such on charter survey at its then present location.

If such survey shows that a vessel is not in a good, seaworthy condition, then Iowa shall make the necessary repairs to put it in a good, seaworthy condition, and CCI shall take delivery of it at 7:00 A.M. following the completion of such repairs at its then location. The parties shall agree on a surveyor to make such on charter surveys, and their costs shall be paid equally by and between the parties.

(d) Iowa shall offer CCI the opportunity to charter any other barges Iowa purchases during the term of this Charter under the same terms and conditions of this Charter.

(e) Iowa warrants that at the time of delivery of the Vessels to CCI they will be free from any liens, attachments or other encumbrance (except various Preferred Ship Mortgages) which might operate to interfere with the free use thereof by CCI hereunder, and it will save CCI harmless in case of any interference with the operation of the Vessels resulting from charges incurred prior to the beginning of this Charter. Iowa further warrants that there are no latent defects in the Vessels and that the same are seaworthy in every respect. Acceptance of Vessels by CCI warrants Vessels are in apparent good seaworthy condition.

2. Charter Term. Charter as to each Vessel shall commence upon delivery of such Vessel to CCI in the New Orleans Harbor area, as stated in Article 1 hereof, and it shall

continue until December 31, 1997. CCI may cancel what remains of this Charter without cause effective after December 31, 1993, by written notification to Iowa. Written notice of cancellation shall be given to Iowa no later than September 30th of each calendar year to effectuate cancellation of the balance of this Charter, effective January 1 of the following calendar year. If CCI elects to cancel this Charter, CCI will pay Iowa the following single lump-sum payment as a cancellation penalty within thirty (30) days of delivery of CCI's notice of cancellation:

<u>Effective Cancellation Date</u>	<u>Cancellation Penalty</u>
January 1, 1994	\$738,750.00
January 1, 1995	\$600,000.00
January 1, 1996	\$492,500.00
January 1, 1997	\$492,500.00

3. Charter Hire. CCI agrees to pay to Iowa, as charter hire for the Vessels, a base daily charter rate in cash initially equal to Fifty Dollars (\$50.00) per day for each Vessel then subject to this Charter, such base daily charter rate being payable in advance as to each Vessel on the fifteenth day of each calendar month. Iowa shall furnish a monthly invoice to CCI for this base daily charter rate.

The base daily charter rate shall be subject to adjustment on a monthly basis in accordance with the average weekly freight rate for the preceding month as published by Sparks Companies, Inc., for St. Louis, Missouri barge rates.

The initial base daily charter rate of \$50.00 per barge per day is at 122% of \$3.99/ton (existing St. Louis tariff). For each 1% increase in the St. Louis barge rate above 122%, the base daily charter rate shall be increased by \$1.50 per day per each Vessel then on charter; provided, however, in no event shall the daily charter rate exceed \$110.00 per barge per day at 162% of \$3.99/ton and the daily charter rate shall not decrease below \$50.00 per barge per day. Examples of the daily charter rate follow:

@ 122% or lower of \$3.99/ton = \$50.00/barge/day

@ 125% of \$3.99/ton = \$54.50/barge/day

@ 142% of \$3.99/ton = \$75.50/barge/day

@ 161% of \$3.99/ton = \$108.50/barge/day

@ 162% of \$3.99/ton = \$110.00/barge/day

@ 170% of \$3.99/ton = \$110.00/barge/day

All payments should be made to Iowa at its address, or at such other place as Iowa may hereinafter designate in writing to CCI. The amounts due from the adjustment of the base daily charter hire rate shall be due and payable on the same day as the base daily charter hire payment. In the event any date of payment is a Saturday, Sunday, or a legal holiday, payment shall be made on the next succeeding business day.

4. Use and Operation of the Vessels. CCI shall have the full use of the Vessels subject to this Charter and may employ such Vessels in any lawful trade and carry such cargoes

as CCI shall determine from time to time subject to the following conditions:

(a) CCI shall not violate any law or regulation of any state or of the United States in the use thereof;

(b) CCI shall not, without the consent of Iowa, use, operate, tow, or navigate the Vessels in any waters other than those for which the Vessels are insured by CCI hereunder.

Iowa and CCI hereby respectively represent that they are, and covenant that they shall remain during the term of this Charter, citizens of the United States, within the meaning of Section 2 of the Shipping Act, 1916, as amended, qualified to engage in the United States coastwise trade within the meaning of said Section 2.

5. Maintenance and Repairs. CCI shall be charged with the responsibility for maintenance and repair of the Vessels then on charter to CCI and shall at all times maintain and preserve these Vessels and equipment in reasonably good condition, working order and repair. If, after December 31, 1993, a Vessel listed on Schedule D is unable to operate in a seaworthy condition, or cover maintenance becomes cost prohibitive due to normal wear and tear and by no fault of Iowa, CCI will notify Iowa in writing and Iowa will either make the necessary repairs to restore the seaworthiness of the vessel and the integrity of the covers or Iowa will take the vessel back off charter. If Iowa elects to make the necessary repairs then the vessel(s) shall be off chater while these

repairs are being made. CCI covenants that the vessels, while on charter to CCI, will at all times comply with all applicable laws, rules and regulations.

Iowa shall have the right, at its expense, at any time, on reasonable notice, to inspect the Vessels in order to ascertain whether the Vessels are being properly repaired and maintained, but inspection in drydock shall be made only when a Vessel is otherwise required to be in drydock.

CCI will pay and discharge, when due and payable from time to time, all taxes, assessments, and governmental charges lawfully imposed on, or in respect of, the Vessels while on charter to CCI or their hire (except Iowa's income and franchise taxes), and CCI will also promptly pay all fines and penalties lawfully imposed on the Vessels which arise out of CCI's use, maintenance, or operation thereof.

6. CCI's Changes and Equipment. CCI shall make no structural changes in the Vessels without, in each instance, first securing written approval of Iowa, which consent shall not unreasonably be withheld. Subject to this provision, CCI shall have the right to install any pumps, gear, or equipment it may require in addition to that on board the Vessels on delivery, provided that such alterations and installations are accomplished at CCI's expense. Pumps, gear, and equipment so installed shall remain the property of CCI, and CCI may, at its option, before redelivery and at its expense and on its time, remove any such pumps, gear, and equipment and restore the

portion of the Vessel affected by such removal to its condition prior to such alterations and installations.

7. Insurance and Indemnities.

(a) CCI shall at all times from the date of delivery of the Vessels to CCI and continuing as long as this Charter remains in force:

(1) Insure or self insure, and/or cause such insurance to be so obtained by any subcharterer, the Vessels against marine and other risks covered by the 1942 River Hull Form, the Taylor Form, or the American Institute Time (Hulls) Form (or other forms furnishing broader and greater coverage), including, but not limited to, loss or damage by fire or perils of the river (the policies to include the customary Inchmaree Clause and Four-Fourths Collision Clause, and Strikes, Riots, and Civil Commission Endorsement) in an amount not less than:

(Amounts as shown in attached Schedules A, B and C)

The Hull Insurance shall be carried for the account of Iowa and CCI, with losses (other than a total and/or constructive total loss), if any, (excepting claims required to be paid to others under the Collision Clause), payable, so long as CCI is not in default under this Charter, to CCI, or order. Total and/or constructive total losses are to be paid to Iowa, or order. In the event of such total and/or constructive total loss, and as of the date thereof, charter hire shall cease and this

Charter shall terminate with respect to said Vessel(s), after Iowa has received a check for such total loss.

(2) Insure or self insure, and/or cause such insurance to be so obtained by any subcharterer, the Vessels against Protection and Indemnity risks covered by the Inland Vessel P & I Form, P & I Form (SP-23) or the 1955 P & I Form (or other forms furnishing broader and greater coverage), including, but not limited to, loss of life, bodily injury and/or property damage and/or other similar risks as covered by the Protection and Indemnity Forms described above, with a limit of liability not less than Ten Million Dollars (\$10,000,000.00).

(3) The cost of all such insurance shall be the responsibility of CCI. All policies referred to in this section shall be endorsed waiving rights of subrogation against Iowa. All policies referred to in this section shall provide not less than thirty (30) days written notice of cancellation or material change to Iowa and CCI. CCI shall file with Iowa satisfactory evidence of such insurance in the form of certificates or cover-notes. Effecting insurance pursuant to this Paragraph (a) shall not excuse CCI from the performance of its obligations under Paragraph (c) of this Article. CCI agrees to indemnify Iowa for any loss or damage falling within the scope of any deductible provisions.

(b) Nothing in this Charter shall prohibit Iowa or CCI from placing any additional insurance at its own expense it desires covering the Vessels.

(c) CCI shall be responsible for indemnifying Iowa against, and hold Iowa harmless from, any lien of whatsoever nature on the Vessels, except the said Mortgage thereon, and against any claim of a third party against Iowa of whatsoever nature arising out of the use or operation of the Vessels by CCI (except any such lien or claim arising from any act or omission of Iowa which does not result directly or indirectly from a breach by CCI of any of its obligations under this Charter), including, without limitation by this enumeration, penalties arising from violation of any applicable law, whether such claims are founded or unfounded, provided only that they, or any of them, shall arise during the time the Vessels are subject to this Charter. If a libel shall be filed against the Vessel(s), or if the Vessels shall be otherwise levied upon or taken into custody by virtue of proceedings in any court or tribunal because of any liens or claims, excluding those arising from any act or omission of Iowa, CCI shall at its own expense within fifteen (15) days thereafter cause the Vessel(s) to be released and any such lien thereon to be discharged. In the event a Vessel is levied upon or taken into custody or detained by any authority whatsoever, CCI agrees forthwith to notify Iowa thereof by telegram, confirmed by letter.

(d) Iowa shall not be liable for any damages caused by pollution unless caused by the negligence of Iowa.

8. Requisition. Requisition of the use of the Vessels by the Government of the United States or any agency or instrumentality thereof, or by any other duly constituted authority, shall terminate this Charter and all awards, compensation and payments made on account of said requisition shall be payable to Iowa.

9. Redelivery. The Vessels shall be redelivered, safely afloat, to Iowa as they unload in the New Orleans Harbor Area, or other points by mutual agreement, after the concluding year, free and clear of all maritime and other liens, libels and encumbrances, claims and charges resulting from acts of CCI, and the Vessels shall be in the same or as good order and condition, including cleanliness, as that in which they were when delivered to CCI, reasonable wear and tear and ordinary depreciation excepted. Reasonable wear and tear shall be deemed to include indentations up to a maximum depth of two inches and the cost of repairing indentations deeper than two inches shall be prorated as between Iowa and CCI with CCI bearing only that expense attributable to the repair of the excess over reasonable wear and tear or, to state this another way, to the repair of damage in excess of indentations of two inches depth.

An off charter survey shall be made on each Vessel as it unloads in the New Orleans Harbor Area (Baton Rouge,

Louisiana through Myrtle Grove, Louisiana) after December 15, of the year this Charter is concluded. CCI may elect to have CCI's Barge Superintendent attend all off charter surveys. The parties shall agree on a surveyor to make such off charter surveys, and their costs shall be paid equally by and between the parties. If such surveys show the Vessels to be in a good, seaworthy condition, Iowa shall take delivery of them at 7:00 A.M. following the completion of such off charter surveys at their then present location. Delivery of the Vessels may also be made to other points by mutual agreement of the parties.

The on charter surveys previously referred to in Article 1, which were made when CCI took delivery of the Vessels, shall be used in determining the condition of the Vessels when they were delivered to CCI.

Upon redelivery, CCI shall forthwith place Iowa in peaceful possession of the Vessels free and clear of all maritime and other liens, libels, claims, encumbrances and charges resulting from acts of CCI. If the Vessel(s) are not in as good condition, ordinary and reasonable wear and tear and depreciation excepted, as they were when delivered to CCI, then CCI shall, upon redelivery, at its own cost and expense, clean the Vessel(s) and, except as may otherwise be provided in this Charter, make all repairs, renewals and replacements necessary to put the Vessel(s) in the order and condition that they were upon delivery to CCI, ordinary and reasonable wear and tear and depreciation excepted. Should any dispute arise between Iowa

and CCI with respect to responsibility for expenses, repairs, renewals, cleaning or replacements, or as to the order or condition of the Vessels, either Iowa or CCI may, without prejudice to its contentions, make and pay for such expense, repairs, renewals, cleaning or replacements, or any part thereof, and may recover the cost thereof from the party for whose account it may properly be under the terms of this Charter.

Any dispute or claim pertaining to redelivery which cannot be resolved by negotiations between the parties within thirty (30) days after same arises in dispute, shall be submitted to a Board of Arbitration composed of three (3) persons for a conclusive and binding decision. The Board of Arbitration shall be composed as follows: one member shall be selected by Iowa, one member shall be selected by CCI and these two so selected shall immediately designate the third member or referee of the Board. In the event the two so selected shall be unable to agree upon the third member or referee, then the parties shall request that the American Arbitration Association designate the third member of the Board. The Board of Arbitration shall render its decision in writing not later than thirty (30) days after the members of the Board have been determined, and such decision shall be conclusive and binding upon the parties. The decision of any two members of the Board shall be the decision of the Board. The compensations and expenses of the arbitrators and reporter shall be borne equally

by the parties, all other costs and expenses shall be borne by the party which incurred them.

10. Assignments and Subletting. CCI shall have the right to sell, assign, or pledge this Charter or any of its rights or obligations hereunder without prior written consent of Iowa; provided, however, that CCI shall remain liable for the performance of all of its obligations hereunder. CCI shall have the right to subcharter, let, or hire, or permit the use by others of the Vessels for any period of less than the term of this Charter; provided, however, that CCI shall remain liable for the performance of all its obligations hereunder.

11. Default. If CCI fails to pay charter hire in full on any due date or breaches any of its other obligations under this Charter, and such default continues for fifteen (15) days after written notice of such default in payment shall have been given by Iowa to CCI, or for thirty (30) days after written notice of such breach of any of CCI's other obligations shall have been given by Iowa to CCI, Iowa may, at its option, withdraw the Vessels from the service of CCI upon giving notice to CCI, without prejudice to any claim for damage suffered or to be suffered by reason of CCI's default which Iowa might otherwise have had against CCI in the absence of such withdrawal and upon the giving of such notice, Iowa may retake the Vessels, wherever found, whether upon navigable waters or in any port, harbor or other place, without prior demand and without legal process, and for the purpose may enter upon any

dock, pier or other premises where the Vessel may be and may take possession thereof.

12. Notices and Payments.

(a) Until notice to the contrary given by the party concerned, all notices and other communications hereunder shall be in writing and shall be delivered or mailed and addressed as follows:

To Iowa:

Attn: T. J. [unclear]
Iowa Fleeting Service, Inc.
P. O. Box 147
Cassville, WI 53806

To CCI:

Attn: T. J. [unclear]
Cargo Carriers Division
Cargill Marine and Terminal,
Inc.
P. O. Box 9300
Minneapolis, MN 55440

(b) Until notice to the contrary given by the party concerned, all payments of charter hire shall be delivered or mailed and addressed to Iowa at:

Iowa Fleeting Service, Inc.
P. O. Box 147
Cassville, WI 53806

IN WITNESS WHEREOF, the parties have caused this Charter to be executed, all in duplicate, as of the day and year first above written.

ATTEST:

Thomas P. Groves

IOWA FLEETING SERVICE, INC.

By: [Signature]
Its: V. President

ATTEST:

Thomas P. Groves

CARGO CARRIERS, A DIVISION OF
CARGILL MARINE AND TERMINAL,
INC.

By: Clinton J. Odell
Its: President

SCHEDULE A

104 BARGES OWNED BY
IOWA FLEETING SERVICE, INC.

<u>BARGE #</u>	<u>OFFICIAL #</u>	<u>ON CHTR DATE</u>	<u>BARGE #</u>	<u>OFFICIAL #</u>	<u>ON CHTR DATE</u>
AH- 101B	506163	02/01/88	DG- 201B	506258	12/24/87
AH- 151L	534454	12/23/87	DG- 202B	506259	02/02/88
AH- 152L	534455	12/25/87			
CC- 51	590950	01/18/88	DK- 120	630125	12/15/87
CC- 52	590951	12/18/87	DK- 121	630126	12/23/87
CC- 53	590952	02/23/88	DK- 122	630127	01/13/88
CC- 54	590953	12/29/87	DK- 123	630128	12/31/87
CC- 55	590954	12/30/87	DK- 124	630129	01/30/88
CC- 57	590956	02/18/88	DK- 226B	612516	12/23/87
CC- 58	590957	12/24/87			
CC- 59	590958	12/23/87	PV- 131B	530756	12/25/87
CC- 251B	590941	12/29/87	PV- 132B	530757	01/16/88
CC- 252B	590942	12/24/87	PV- 133B	530758	12/23/87
CC- 253B	590943	12/18/87	PV- 134B	530759	01/14/88
CC- 254B	590944	02/18/88	PV- 135B	530760	02/09/88
CC- 255B	590945	12/17/87	PV- 136B	530761	01/30/88
CC- 256B	590946	12/23/87	PV- 137B	530762	12/29/87
CC- 257B	590947	12/29/87	PV- 138B	530763	01/22/88
CC- 258B	590948	12/21/87	PV- 139B	530764	02/08/88
CC- 259B	590949	12/16/87	PV- 140B	530765	12/29/87
			PV- 176	534921	01/09/88
CC- 301B	594402	01/21/88	PV- 177	534922	02/09/88
CC- 302B	594403	12/18/87	PV- 178	534923	12/31/87
CC- 303B	594404	02/29/88	PV- 179	534924	12/29/87
CC- 304B	594405	01/19/88			
CC- 305B	594406	01/14/88	SG- 301	625355	01/13/88
CC- 306B	594407	02/17/88	SG- 302	625356	01/30/88
CC- 307B	594408	01/28/88	SG- 303	625357	01/21/88
CC- 308B	594409	01/25/88	SG- 304	625358	12/23/87
CC- 309B	594410	01/09/88	SG- 305	625359	01/15/88
CC- 310B	594411	01/14/88	SG- 306	625360	12/31/87
CC- 311B	594412	01/11/88	SG- 307	625361	12/29/87
CC- 312B	594413	01/16/88	SG- 308	625362	01/05/88
CC- 313B	594414	12/23/87	SG- 309	625363	12/23/87
CC- 314B	594415	01/30/88	SG- 310	625364	02/05/88
CC- 315B	594416	12/30/87	SG- 311	626011	01/21/88
CC- 316B	594417	12/17/87	SG- 312	626012	01/12/88
CC- 317B	594418	03/01/88	SG- 313	626013	02/13/88
CC- 318B	594419	12/31/87	SG- 314	626014	12/26/87
CC- 319B	594420	01/14/88	SG- 315	626015	12/23/87
CC- 320B	594421	01/08/88	SG- 316	626016	01/27/88
CC- 321B	594422	01/15/88	SG- 317	626017	12/18/87
CC- 322B	594423	01/24/88	SG- 318	626018	12/28/87
CC- 323B	594424	12/21/87	SG- 319	626019	12/18/87
CC- 324B	594425	12/29/87	SG- 320	626020	01/28/88
CC- 325B	594426	12/23/87			
CC- 326B	594427	01/06/88	SG- 401B	627171	01/09/88
CC- 327B	594428	01/07/88	SG- 402B	627172	01/01/88
CC- 328B	594429	12/31/87	SG- 403B	627173	02/10/88
CC- 329B	594430	12/23/87	SG- 404B	627174	01/12/88
CC- 330B	594431	12/21/87	SG- 405B	627175	12/28/87
CC- 331B	594432	01/11/88	SG- 408B	627178	01/26/88
CC- 332B	594433	12/29/87	SG- 528B	630167	01/27/88
CC- 333B	594434	01/01/88	SG- 529B	630168	12/24/87
			SG- 530B	630169	01/18/88

ALL BARGES HAVE INSURED VALUES OF \$175,000.00

IOWA FLEETING SERVICE, INC.
P.O. BOX 147
CASSVILLE, WI 53806

SCHEDULE B

**7 BARGES OWNED BY
IOWA FLEETING SERVICE, INC.**

<u>BARGE #</u>	<u>OFFICIAL #</u>	<u>ON CHTR DATE</u>
MTC-101		04/24/92
MTC-102		04/24/92
MTC-103		05/04/92
MTC-104		04/24/92
MTC-105		04/24/92
MTC-106		05/04/92
MTC-107		04/22/92

ALL BARGES WERE BUILT IN 1966 AND THEN RESIDED IN 1991

ALL BARGES HAVE INSURED VALUES OF \$140,000.00

**IOWA FLEETING SERVICE, INC.
P.O. BOX 147
CASSVILLE, WI 53806**

SCHEDULE C

85 NEW BARGES OWNED BY IOWA FLEETING SERVICE, INC.

<u>BARGE #</u>	<u>OFFICIAL #</u>	<u>ON CHTR DATE</u>	<u>BARGE #</u>	<u>OFFICIAL #</u>	<u>ON CHTR DATE</u>
MTC- 201		06/09/92	MTC- 244		
MTC- 202		06/02/92	MTC- 245		
MTC- 203		06/18/92	MTC- 246		
MTC- 204		06/18/92	MTC- 247		
MTC- 205		06/09/92	MTC- 248		
MTC- 206		06/18/92	MTC- 249		
MTC- 207		06/18/92	MTC- 250		
MTC- 208		06/17/92	MTC- 251		
MTC- 209		06/09/92	MTC- 252		
MTC- 210		06/13/92	MTC- 253		
MTC- 211		06/17/92	MTC- 254		
MTC- 212			MTC- 255		
MTC- 213			MTC- 256		
MTC- 214			MTC- 257		
MTC- 215			MTC- 258		
MTC- 216			MTC- 259		
MTC- 217		06/17/92	MTC- 260		
MTC- 218			MTC- 261		
MTC- 219			MTC- 262		
MTC- 220			MTC- 263		
MTC- 221			MTC- 264		
MTC- 222			MTC- 265		
MTC- 223			MTC- 266		
MTC- 224			MTC- 267		
MTC- 225			MTC- 268		
MTC- 226			MTC- 269		
MTC- 227			MTC- 270		
MTC- 228			MTC- 271		
MTC- 229			MTC- 272		
MTC- 230			MTC- 273		
MTC- 231			MTC- 274		
MTC- 232			MTC- 275		
MTC- 233			MTC- 276		
MTC- 234			MTC- 277		
MTC- 235			MTC- 278		
MTC- 236			MTC- 279		
MTC- 237			MTC- 280		
MTC- 238			MTC- 281		
MTC- 239			MTC- 282		
MTC- 240			MTC- 283		
MTC- 241			MTC- 284		
MTC- 242			MTC- 285		
MTC- 243					

ALL BARGES HAVE INSURED VALUES OF \$230,000.00

IOWA FLEETING SERVICE, INC.
P.O. BOX 147
CASSVILLE, WI 53806

(PROP/IOWC)

SCHEDULE D

22 BARGES OF CONCERN
PER SECTION " 5. MAINTENANCE AND REPAIRS."
OWNED BY
IOWA FLEETING SERVICE, INC.

<u>BARGE #</u>	<u>OFFICIAL #</u>	<u>ON CHTR DATE</u>
AH-101B	506163	02/01/88
MTC-101B		04/24/92
MTC-102		04/24/92
MTC-103		05/04/92
MTC-104		04/24/92
MTC-105		04/24/92
MTC-106		05/04/92
MTC-107		04/22/92
PV-131B	530756	12/25/87
PV-132B	530757	01/16/88
PV-133B	530758	12/23/87
PV-134B	530759	01/14/88
PV-135B	530760	02/09/88
PV-136B	530761	01/30/88
PV-137B	530762	12/29/87
PV-138B	530763	01/22/88
PV-139B	530764	03/14/89
PV-140B	530765	12/29/87
PV-176	534921	01/09/88
PV-177	534922	02/09/88
PV-178	534923	12/31/87
PV-179	534924	12/29/87

IOWA FLEETING SERVICE, INC.
P.O. BOX 147
CASSVILLE, WI 53806

EXHIBIT H

PURCHASE AGREEMENT FOR BARGES

CONTRACT

14th
THIS AGREEMENT, (hereinafter called the CONTRACT), made and entered into this 14th day of January 1992, by and between IOWA FLEETING SERVICES, INC. , hereinafter called the PURCHASER, and JEFFBOMT, a division of American Commercial Marine Service Company, a Delaware corporation, hereinafter called the BUILDER.

WITNESSETH:

That PURCHASER and BUILDER, each in consideration of the agreements on the part of the other herein contained, hereby contract as follows:

ARTICLE I - WORK TO BE DONE:

BUILDER shall in a good and workmanlike manner and at its own cost and expense furnish all labor, supervision, machinery, materials, equipment, supplies, plant and facilities, required to construct, launch and complete ready for service, fifty (50) box hopper barges with fiberglass lift covers hereinafter referred to as the Vessels, having principal characteristics and dimensions of: 200' x 35' x 12' all in accordance with the following Drawings: B-11201, Rev. 1 (hereinafter referred to as the DRAWINGS), which DRAWINGS have been identified by the signatures of the parties hereto and are hereby made a part hereof with the same force and effect as though herein set out in full. If there shall be any difference in the provisions of this CONTRACT or the DRAWINGS, precedence in the order named in this sentence shall apply.

ARTICLE II - PURCHASE OF THE VESSELS:

BUILDER agrees to sell the Vessels to PURCHASER and PURCHASER agrees to purchase the Vessels from BUILDER on the terms and conditions set forth in this CONTRACT.

ARTICLE III - CONTRACT PRICE:

PURCHASER shall pay or cause to be paid to BUILDER for the Vessels completed in accordance with the terms of this CONTRACT, a basic unit contract price of: \$215,250.00 each constituting a total contract price of: \$10,762,500.00, as such basic unit and total contract prices may be adjusted by reason of:

- 1) the increase or decrease therein resulting from changes or additions pursuant to Article V hereof;

2) the increase or decrease therein resulting from changes in taxes pursuant to Article VI hereof.

ARTICLE IV - TERMS OF PAYMENT:

PURCHASER shall promptly make payment or cause payment to be made to BUILDER for the Vessels, constructed pursuant to Article I hereof, as follows:

At contract signing, PURCHASER shall furnish BUILDER satisfactory assurance of ability to satisfy contract price. PURCHASER shall furnish BUILDER a Letter of Credit from a recognized financial institution for 10% of the total CONTRACT price in Article III above. Upon completion, delivery and acceptance of each vessel being constructed, PURCHASER shall cause to be wired in immediately available funds to American Commercial Marine Service Company, the unit contract price for such vessel to the account of American Commercial Lines, Inc., Acct. #700004550 in the FIRST NATIONAL BANK OF LOUISVILLE, Louisville, Kentucky. For convenience, BUILDER and PURCHASER may agree on weekly closings.

ARTICLE V - ALTERATIONS:

PURCHASER shall have the right to make any alterations in, deductions from, or additions to the DRAWINGS on giving due notice in writing to BUILDER, provided PURCHASER shall have first agreed in writing to an adjustment of the unit or contract price. In any such event, an equitable adjustment of the basic unit and total contract price shall be made after giving due allowance to both increases and decreases in the work originally contemplated. Any adjustment to the basic contract price shall be computed on the basis of the estimated time, material plus 30% along with the loss of sequence and delay.

Any changes in this CONTRACT or the DRAWINGS required by the U. S. Coast Guard, the Maritime Administration, American Bureau of Shipping, or by changes in any applicable laws, rules or regulations, or interpretations thereof, after the date first stated above, shall be treated as alterations within the meaning of this Article.

If the alteration is an addition to the work, payment shall immediately be made upon completion of the vessel. If the alteration is a deletion to the work, a credit shall be given which will reduce the contract price found in Article III.

The alterations in, deductions from or additions to the DRAWINGS or any required changes to this CONTRACT, as referenced in this Article V, shall not, in any event or circumstance, be reason or cause for PURCHASER to increase or decrease the actual number of Vessels to be constructed as referenced in Article I above.

ARTICLE VI - TAXES:

... local, state and federal taxes, worker's compensation, social security, or old age benefits, of any nature, and any other taxes, charges, assessments and contributions of any kind now or hereafter imposed upon, or with

respect to, or measured by, materials and labor utilized in the construction of the Vessels hereunder, or the wages, salaries or other remunerations paid to persons employed in connection with the performance of this CONTRACT, and BUILDER shall indemnify and hold PURCHASER harmless from any and all liability and expense by reason of BUILDER'S failure to pay such taxes, charges, assessments and contributions.

BUILDER shall be entirely responsible for the payment of, any tax on the income of BUILDER, and Ad Valorem tax (whether assessed upon the Vessels under construction or upon other property) or any franchise or similar tax.

Notwithstanding any of the foregoing, any sales or use taxes which may be imposed upon the sale or use of the Vessels to be furnished hereunder, whether or not the law imposing such tax is now in effect, shall be in addition to the purchase price herein specified and shall be paid by PURCHASER. If any such tax is required to be paid by BUILDER, PURCHASER shall reimburse BUILDER therefor upon presentation of invoice.

ARTICLE VII - PROPERTY LOSS OR DAMAGE:

BUILDER shall assume all risks of loss of and damage to the Vessels and material entering into the construction of the Vessels until the Vessels are delivered to and accepted by PURCHASER in accordance with the provisions of Article X hereof.

BUILDER shall, in case of accident or damage to the Vessels, or any part thereof, for any reason whatsoever, at any time prior to its delivery to, and acceptance by, PURCHASER, repair the Vessels or any part so damaged, and deliver the Vessels in accordance with the terms of this CONTRACT.

In the event of total loss or constructive loss of any Vessel, for any reason whatsoever, at any time prior to its delivery to, and acceptance by, PURCHASER, at PURCHASER'S option, BUILDER shall reimburse PURCHASER (1) amounts, if any, paid to BUILDER pursuant to Article III of this CONTRACT, and (2) an amount equivalent to PURCHASER'S cost for items of materials and equipment furnished by PURCHASER which are a total or constructive total loss, or, alternatively, BUILDER shall replace the vessel at the same unit price within the period of time required for construction. In such event, such reimbursement or replacement shall constitute BUILDER'S full responsibility under this CONTRACT.

ARTICLE VIII - PATENTS:

BUILDER shall pay all royalties for patented processes, articles, or devices

Except as to designs, articles, devices processes or anything used in or about the construction which is provided to BUILDER by PURCHASER, BUILDER warrants that none of the articles, devices, processes or anything used in or about the construction of the Vessels infringes on patents or patent rights, and agrees to indemnify and save harmless the PURCHASER from any suits, judgments, damages, costs or claims whatsoever for infringement of any patents or patent rights. BUILDER agrees that in the event of such suit for patent infringement being brought against PURCHASER upon written notice being given by PURCHASER to BUILDER, BUILDER will defend such suit without cost to PURCHASER.

ARTICLE IX - INDEMNITY AGAINST CLAIMS:

BUILDER shall indemnify and save PURCHASER harmless from any and all liability, expenses, costs, damages and/or losses of any kind, occurring during construction arising out of injuries to or death of persons or loss or damage to property of any kind arising out of BUILDER'S performance of this CONTRACT, except where such injury, death or loss or damage has resulted from the negligence of PURCHASER, its employees or agents in some respect other than alleged negligence for failing to inspect or require correction of BUILDER'S work, it being specifically agreed that PURCHASER has no obligation to inspect and that BUILDER will indemnify and hold harmless PURCHASER from any such claims of negligence based on PURCHASER'S failure to inspect or instruct BUILDER. If the negligence of PURCHASER, its employees or agents in any other respect, however, was a contributing cause of such injuries, death or loss or damage to property, BUILDER'S responsibility shall be limited to its proportional share, if any, of liability for such incident.

BUILDER shall observe all applicable laws and regulations during construction, and shall indemnify and save PURCHASER harmless from any and all liability, expenses, cost, damages and/or losses of any kind resulting from the failure of BUILDER to do so.

ARTICLE X - COMPLETION, DELIVERY, ACCEPTANCE AND TITLE:

The Vessels shall be constructed by BUILDER at its Jeffersonville, Indiana, yard and shall be completed, delivered and accepted in accordance with the following schedule:

Beginning mid May 1992 with completion and delivery of all vessels no later than September 15, 1992. Schedule based on a production rate of approximately three hulls per week. Place of delivery is mid-stream Ohio River, Louisville,

PURCHASER shall be given a reasonable opportunity to inspect the Vessels during construction and upon completion in order to determine the compliance of materials, workmanship, and details of construction with the requirements of the DRAWINGS. PURCHASER, or his authorized representatives, shall make such inspections promptly, and upon completion, the Vessels shall be promptly approved by PURCHASER if in accordance with the DRAWINGS, subject to the provisions of Article I above. Following approval by PURCHASER, the Vessels shall then be delivered by BUILDER to PURCHASER and accepted by PURCHASER, all of which shall occur afloat in the Ohio River adjacent to Louisville Kentucky. Only at the time of such acceptance shall title to said Vessels transfer.

BUILDER, at its expense, shall furnish PURCHASER a Builder's Certificate and Simplified Bill of Sale for each Vessel, together with whatever other documents may be required by law or by any regulatory agency of the United States having jurisdiction in the premises.

PURCHASER shall have the responsibility to process all instruments and applications necessary for the Enrollment and Licensing of each Vessel at the home port, if PURCHASER elects to document Vessels.

ARTICLE XI - WARRANTY:

BUILDER warrants that the Vessels to be constructed under this CONTRACT shall at the time of delivery,

- (1) Conform to the requirements of the CONTRACT and DRAWINGS;
- (2) Be of good workmanship and quality in accordance with the best marine practice for work of like nature; and,
- (3) Be free of any liens, claims, encumbrances upon payment to BUILDER in accordance with Articles III and IV hereof.

If any defects in materials, or workmanship in the Vessels under normal conditions of use and service, other than those defects which are due to normal wear and tear, or misuse, be discovered within twelve (12) months after delivery of the last Vessel to PURCHASER, such defects shall be corrected or the defective parts shall be replaced by the BUILDER at BUILDER'S expense, at such place as the parties shall mutually agree.

The PURCHASER shall notify the BUILDER in writing of any defects found in the Vessel during the warranty period, promptly after discovery thereof, and upon such notification, BUILDER shall have the right, at its own expense, to make an investiga-

THE ABOVE EXPRESS WARRANTY HAS BEEN BARGAINED FOR AND THE PURCHASER RECOGNIZES THAT BUILDER GIVES NO IMPLIED WARRANTIES OF MERCHANTABILITY NOR ANY IMPLIED WARRANTIES OF FITNESS FOR INTENDED USAGE OR A PARTICULAR PURPOSE.

It is understood that BUILDER shall not be liable for consequential damages sustained by PURCHASER after delivery and acceptance as a result of the failure of any work or item of equipment or material to meet the above stated guarantees and warranties of BUILDER, including, but not limited to, those consequential damages which may be of an economic or commercial nature such as loss of revenue due to down time as well as actual loss of the Vessel.

ARTICLE XII - FORCE MAJEURE:

All CONTRACTS of the BUILDER concerning time and dates of delivery under the provisions of this CONTRACT shall be subject to "force majeure", which term is hereby declared to include all actions whatsoever (except inclement weather of the ordinary ~~seasonable nature~~ beyond the control of BUILDER, among which, but not exclusive of others, are the following: Acts of God; war between the United States and other foreign Country; civil war; riot or insurrection in the United States; preparation for war; requirement, urgency, or intervention of civil, naval, or military authorities or other agencies of Government; arrests and restraints of rulers and people; blockades; embargoes; vandalism; sabotage; epidemics; strikes, lockouts, or other industrial disturbances; earthquakes, landslides, floods, droughts, hurricanes and cyclonic storms; damage by lightning, explosions, collisions, strandings, fires; and delays due to changes authorized by the PURCHASER pursuant to Article V hereof.

Time for force majeure shall be on a daily basis dependent upon actual time lost along with BUILDER'S loss of sequence, if any.

BUILDER shall promptly, upon learning of any "FORCE MAJEURE" occasion, which may delay the completion and/or delivery of vessels hereunder notify PURCHASER in writing and shall furnish PURCHASER with an estimate, if possible, of the extend of the probable delay. If the "Force Majeure" condition(s) cause the delivery of vessels hereunder to be reduced to less than an average of one a week for sixteen (16) consecutive weeks and the "Force Majeure" conditions still exist at the conclusion of the sixteenth (16) consecutive week, then PURCHASER, at it's option, may cancel this construct as to any vessels not previously constructed and delivered and PURCHASER shall be entitled to a refund of any amount of its original total deposit which had not been applied to the vessels already constructed and delivered. Provided further

... the completion and delivery of vessels hereunder is delayed because of "Force

... ..

"Force Majeure" condition for more than twenty-four (24) consecutive weeks, PURCHASER shall likewise have the option to cancel this contract and shall be entitled to a refund of any amount of the initial total deposit that has not been previously applied to the purchase price of the vessels already constructed and delivered, even if BUILDER has completed and delivered an average of one barge a week during the "Force Majeure" conditions.

ARTICLE XIII - DEFAULT:

If either party hereto shall be adjudicated a bankrupt or an order appointing a receiver of it or of the major part of its property shall be made, or an order shall be made approving a petition or answer seeking its reorganization under the Federal Bankruptcy Act, as amended, or should either party institute or have instituted against it proceedings in bankruptcy or apply for or consent to the appointment of a receiver of itself or of its property, or shall make an assignment for the benefit of its creditors, or shall submit in writing its inability to pay its debts generally as they become due, for the purpose of seeking a reorganization under the Federal bankruptcy laws or otherwise, then in any one or more of such events, the other party to this CONTRACT shall have the option forthwith to terminate this CONTRACT to all intents and for all purposes, by giving written notice of its intentions to do so. Any termination of this CONTRACT made pursuant to the provisions of this paragraph shall not relieve the party receiving such notice from any accrued obligations hereunder due and owing at the date of such termination.

ARTICLE XIV - EFFECT OF WAIVER:

No waiver by either party hereto of any default by the other in the strict and literal performance of or compliance with any provision, condition, or requirement herein shall be deemed to be a waiver of strict and literal performance of and compliance with any other provision, condition, or requirement herein, nor to be a waiver of, or in any manner release such other from, strict compliance with any provision, condition, or requirement in the future.

ARTICLE XV - ASSIGNMENT:

This CONTRACT in whole or in part and the benefits of any payments made hereunder may be assigned by the PURCHASER without the consent of the BUILDER, and title to the vessel and materials entering into the construction thereof vested in the PURCHASER may be transferred at any time to any individual, firm or corporation which it may designate, provided that PURCHASER guarantees the performance of all of its

obligations hereunder by such assignee, and provided further that such assignment or

transfer shall not in any way violate any law of the United States of America or any rule or regulation issued or promulgated by any department, agency or instrumentally of the United States government.

Provided further, that to facilitate the necessary administrative functions of the BUILDER, PURCHASER shall agree to give the BUILDER notice of the assignment in writing and within a reasonable time prior to completion, acceptance and delivery of the Vessel as mentioned above. In the event that such written assignment or transfer is not given to BUILDER within a reasonable time, the BUILDER shall receive as in Article V Alterations, any and all costs which it may incur.

BUILDER agrees to execute any documents required to effectuate any such assignment of transfer and the documentation of the completed Vessels. This Contract shall not be assignable by BUILDER without the written consent of the PURCHASER.

ARTICLE XVI - NOTICES:

Any notice required or permitted to be given to either party hereto by or under the provisions of this CONTRACT shall be deemed properly given when mailed by certified mail return receipt requested, postage thereon fully prepaid, addressed in the case of PURCHASER to:

Iowa Fleetng Services, Inc.

c/o Marquette Transportation

P.O. Box 1456

Paducah, KY 42002 -1456

and in the case of the BUILDER to:

Jeffboat, Division of

American Commercial Marine Service Company

Attn: Mead B. Ferris

P.O. Box 610

1030 East Market Street

Jeffersonville, IN 47130

All such notices shall be deemed given when so mailed. For convenience in reference, this CONTRACT is hereby identified as CONTRACT NO. 8870. All invoices, notices, reports or other communications addressed to PURCHASER pertaining to this CONTRACT shall be identified by this number.

ARTICLE XVII - SHIPPING ACT OF 1916:

PURCHASER warrants that it is a citizen of the United States within the meaning of the Shipping Act of 1916, as amended (46 U.S. Code 801 et. seq.), and that it is qualified to enter into this CONTRACT and to take title to the equipment to be constructed hereunder and that the provisions of said Shipping Act of 1916, as amended, imposing restrictions upon transfers to persons not citizens of the United States and any proclamations, orders or regulations thereunder, are inapplicable.

ARTICLE XVIII - GOVERNING LAW AND SEVERABILITY:

This CONTRACT and all amendments hereto shall be governed by the laws of the State of Indiana. Each provision of this CONTRACT is intended to be severable and if any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this CONTRACT.

ARTICLE IX - OPTION:

BUILDER grants to PURCHASER the right of first refusal to purchase an additional thirty-five (35) production slots as follows:

Rake or box hopper barges with fiberglass lift covers in accordance with Jeffboat drawing B-11200 or B-11201, delivery September-December, 1992.....\$215,250 each.

PLUS ANY ADJUSTMENTS
IN STEEL COSTS.

Pricing based upon a total quantity of thirty-five (35) barges. For a total order of thirty-five barges, PURCHASER can elect a design mix, provided mix contains a minimum quantity of ten (10) barges of either rake or box design.

This change in steel costs as compared to the cost associated with the first series of barges, can be verified by mutually agreed upon auditors, but actual steel costs remain confidential to the BUILDER.

Option declarable until close of business April 1, 1992. BUILDER shall keep PURCHASER advised of production space availability. Should builder obtain a

legitimate request to construct equipment for other customers, BUILDER should notify PURCHASER in writing of such request and afford PURCHASER the right of first refusal on such demand for production space. PURCHASER shall have three (3) business days from date of notification to declare option execution or refusal of production space.

IN WITNESS WHEREOF, the parties have executed this CONTRACT as of the day and year first above written.

PURCHASER:

By:

As:

[Signature]
V. President

WITNESS:

[Signature]

BUILDER: JEFFBOAT

By:

As:

[Signature]
VP Sales

WITNESS:

[Signature]

EXHIBIT I

BILL OF SALE
(Page 1 of 1)

KNOW ALL MEN BY THESE PRESENTS:

THAT Iowa Fleeting Service, Inc., 2308 South 4th Street, Paducah, KY 42001 a corporation having its principal office at _____ ("Seller"), for good and valuable consideration, does hereby grant, convey, transfer, bargain and sell unto Cargill Leasing Corporation, a Delaware corporation whose address is 6000 Clearwater Drive, Minnetonka, MN 55343-9497 ("Buyer") and its successors and assigns forever, pursuant to that certain Bareboat Charter No. 02337 dated _____, 1992, between the Seller as Charterer and the Buyer as Owner, all of Seller's right, title and interest in and to the barges ("Vessels") described below:

SELLER hereby warrants to Buyer, its successors and assigns, that Seller is the owner of the Vessels and that there is hereby conveyed to Buyer on the date hereof good and marketable title to the Vessels, free and clear of all mortgages, pledges, liens, charges, security interests or other encumbrances of any nature whatsoever, and Seller hereby covenants that it will warrant and defend such title forever against all claims and demands whatsoever.

IN WITNESS WHEREOF, Seller has caused this instrument to be duly executed and delivered by its authorized officer as of this _____ day of _____, 1992.

IOWA FLEETING SERVICE, INC.

By: _____
(Sign Name)

(Print Name)

Title: _____