

RECORDATION NO ~~16537~~ ^B
SEP 29 1989 -10 40 AM
INTERSTATE COMMERCE COMMISSION

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16537 A
SEP 29 1989 -10 40 AM

INTERSTATE COMMERCE COMMISSION

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September 29, 1989

RECORDATION NO ~~16537~~
SEP 29 1989 -10 40 AM
INTERSTATE COMMERCE COMMISSION

The Honorable Noretta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

9-272A003

SEP 29 1989 10 40 AM
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SEP 29 1989 10 40 AM

Dear Secretary McGee:

Enclosed for recordation, under the provisions of 49 U.S.C. §11303(a) and the regulations thereunder, are the original and one counterpart each of (i) Lease of Railroad Equipment between Cargill, Incorporated, a Delaware corporation, ("Lessee") and Wilmington Trust Company, a Delaware banking corporation, not in its individual capacity, except as otherwise set forth in such document, but solely as Owner Trustee under the Trust Agreement referred to therein ("Lessor"), a primary document, dated as of September 15, 1989; (ii) Lease Supplement No. 1 relating to the aforesaid Lease of Railroad Equipment, a primary document, dated September 29, 1989; (iii) Loan and Security Agreement between The Prudential Insurance Company of America, a New Jersey corporation, ("Lender"), and Wilmington Trust Company, not in its individual capacity, except as otherwise set forth in such document, but solely as trustee under the Trust Agreement referred to therein, ("Owner Trustee"), a primary document, dated as of September 15, 1989; and (iv) Loan and Security Agreement Supplement No. 1, relating to the aforesaid Loan and Security Agreement, a primary document, dated September 29, 1989.

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

Conrad [Signature]
Rev. M. [Signature]

Letter to Secretary McGee
Page 2
September 29, 1989

(i) Lease of Railroad Equipment and Lease
Supplement No. 1

LESSEE: Cargill, Incorporated
P.O. Box 9300
Minneapolis, MN 55440

LESSOR: Wilmington Trust Company
Rodney Square North
Wilmington, Delaware 19890

(ii) Loan and Security Agreement and Loan and Security
Agreement Supplement No. 1

LENDER: The Prudential Insurance Company
of America
c/o Prudential Capital Corporation
2930 Norwest Center
90 South Seventh Street
Minneapolis, Minnesota 55402

OWNER TRUSTEE: Wilmington Trust Company
Rodney Square North
Wilmington, Delaware 19890

A general description of the railroad equipment covered by the enclosed documents is attached hereto as Schedule I.

The undersigned is the attorney-in-fact of Cargill, Incorporated, Wilmington Trust Company and The Prudential Insurance Company of America mentioned in the enclosed documents and has knowledge of the matters set forth therein.

Letter to Secretary McGee
Page 3
September 29, 1989

Please return the original 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, or to the bearer hereof.

Also enclosed is a remittance in the amount of \$39.00 for the required recording fees.

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

PRIMARY DOCUMENTS

1. Lease of Railroad Equipment between Cargill, Incorporated, a Delaware corporation, P.O. Box 9300, Minneapolis, Minnesota 55440 ("Lessee") and Wilmington Trust Company, a Delaware banking corporation, not in its individual capacity, except as otherwise set forth in such document, but solely as Owner Trustee under the Trust Agreement referred to therein, Rodney Square North, Wilmington, Delaware 19890 ("Lessor") dated as of September 15, 1989, relating to 180 Rail Tank Cars, Lessee Identification Nos. CRGX 4943-4951, 4953-4979, 4981-4983, 4985-4990, 4992, 4995-5001, 5003-5005, 5007-5009, 5012-5022, 5026, 5028-5030, 5033, 5035, 5036, 5038, 5040-5057, 5059, 5060, 5063-5069, 5072, 5074, 5075, 5077, 5084, 5128-5132, 5134-5138, 5140, 5141, 5144-5153, 5156, 5157, 5159, 5160, 5162-5165, 7200-7239 (inclusive).
2. Lease Supplement No. 1 relating to the Lease of Railroad Equipment between Cargill, Incorporated, a Delaware corporation, P.O. Box 9300, Minneapolis, Minnesota 55440 ("Lessee") and Wilmington Trust Company, a Delaware banking corporation, not in its individual capacity, except as otherwise set forth in such document, but solely as Owner Trustee under the Trust Agreement referred to therein,

Letter to Secretary McGee

Page 4

September 29, 1989

Rodney Square North, Wilmington, Delaware 19890 ("Lessor"), dated September 29, 1989, relating to 180 Rail Tank Cars, Lessee Identification Nos. CRGX 4943-4951, 4953-4979, 4981-4983, 4985-4990, 4992, 4995-5001, 5003-5005, 5007-5009, 5012-5022, 5026, 5028-5030, 5033, 5035, 5036, 5038, 5040-5057, 5059, 5060, 5063-5069, 5072, 5074, 5075, 5077, 5084, 5128-5132, 5134-5138, 5140, 5141, 5144-5153, 5156, 5157, 5159, 5160, 5162-5165, 7200-7239 (inclusive).

3. Loan and Security Agreement between The Prudential Insurance Company of America, a New Jersey corporation c/o Prudential Capital Corporation, 2930 Norwest Center, 90 South Seventh Street, Minneapolis, Minnesota 55402 ("Lender") and Wilmington Trust Company, a Delaware banking corporation, not in its individual capacity, except as otherwise set forth in such document, but solely as trustee under the Trust Agreement referred to therein, Rodney Square North, Wilmington, Delaware 19890 ("Owner Trustee"), dated as of September 15, 1989, relating to 180 Rail Tank Cars, Cargill, Incorporated, Identification Nos. CRGX 4943-4951, 4953-4979, 4981-4983, 4985-4990, 4992, 4995-5001, 5003-5005, 5007-5009, 5012-5022, 5026, 5028-5030, 5033, 5035, 5036, 5038, 5040-5057, 5059, 5060, 5063-5069, 5072, 5074, 5075, 5077, 5084, 5128-5132, 5134-5138, 5140, 5141, 5144-5153, 5156, 5157, 5159, 5160, 5162-5165, 7200-7239 (inclusive).
4. Loan and Security Agreement Supplement No. 1 relating to the Loan and Security Agreement between The Prudential Insurance Company of America, a New Jersey corporation, c/o Prudential Capital Corporation, 2930 Norwest Center, 90 South Seventh Street, Minneapolis, Minnesota 55402 ("Lender") and Wilmington Trust Company, a Delaware

Letter to Secretary McGee
Page 5
September 29, 1989

banking corporation, not in its individual capacity, except as otherwise set forth in such document, but solely as trustee under the Trust Agreement referred to therein, Rodney Square North, Wilmington, Delaware 19890 ("Owner Trustee"), dated September 29, 1989, relating to 180 Rail Tank Cars, Cargill, Incorporated Identification Nos. CRGX 4943-4951, 4953-4979, 4981-4983, 4985-4990, 4992, 4995-5001, 5003-5005, 5007-5009, 5012-5022, 5026, 5028-5030, 5033, 5035, 5036, 5038, 5040-5057, 5059, 5060, 5063-5069, 5072, 5074, 5075, 5077, 5084, 5128-5132, 5134-5138, 5140, 5141, 5144-5153, 5156, 5157, 5159, 5160, 5162-5165, 7200-7239 (inclusive).

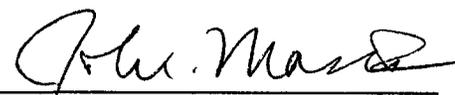
Very truly yours,

CARGILL, INCORPORATED

By 

John K. Maser III
Attorney-in-Fact

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA

By 

John K. Maser III
Attorney-in-Fact

Letter to Secretary McGee
Page 6
September 29, 1989

WILMINGTON TRUST COMPANY

By 
John K. Maser III
Attorney-in-Fact

004/FS
Attachments

SCHEDULE 1

Description of Rail Cars

<u>Descriptions and Quantity</u>	<u>Manufacturer</u>	<u>Lessee's Identification Numbers</u>	<u>AAR Mechanical Description</u>	<u>DOT Specifications</u>	<u>Specifications</u>	<u>Purchase Price</u>
Refined Oil Tank Cars - 40	Union Tank Car Company	CRGX 7200 to CRRX 7239 (inclusive)	T-107	111A100W-3	Q-9288	\$56,204.00
Corn Milling Tank Cars - 140	Trinity Industries, Inc.	CRGX 4943-4951, 4953-4979, 4981-4983, 4985-4990, 4992, 4995-5001, 5003-5005, 5007-5009, 5012-5022, 5026, 5028-5030, 5033, 5035, 5036, 5038, 5040-5057, 5059, 5060, 5063-5069, 5072, 5074, 5075, 5077, 5084, 5128-5132, 5134-5138, 5140, 5141, 5144-5153, 5156, 5157, 5159, 5160, 5162-5165	T-104	111A100W-3	BO 8907	\$54,503.00

Interstate Commerce Commission
Washington, D.C. 20423

9/29/89

OFFICE OF THE SECRETARY

John K Maser III
Donelan, Cleary Wood & Maser
1275 K St. N.W.
Washington, D.C. 20005-406

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/29/89 at 10:40am and assigned recordation number(s). 16537, 16537-A, 16537-B & 16537-C

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

16537
RECORDED IN _____ FILED IN _____

SEP 29 1989 - 10 40 AM

INTERSTATE COMMERCE COMMISSION

EXHIBIT C

LEASE OF RAILROAD EQUIPMENT

Dated as of September 15, 1989

between

CARGILL, INCORPORATED, Lessee

and

WILMINGTON TRUST COMPANY, not in its individual
capacity, except as otherwise set forth herein,
but solely as Owner Trustee under the Trust
Agreement referred to herein, Lessor

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
RECITALS	1
SECTION 1. Definitions	1
SECTION 2. Net Lease	1
SECTION 3. Delivery and Acceptance of Rail Cars	2
SECTION 4. Rentals	
4.1 Basic Rent	3
4.2 Minimum Payments	3
4.3 Supplemental Rent	3
4.4 Adjustments to Basic Rent, Casualty Value and Termination Value	3
4.5 Payments on Nonbusiness Days	4
4.6 Place of Rent Payment	5
4.7 Payment in Immediately Available Funds	5
SECTION 5. Term of Lease	
5.1 Beginning and Termination; Survival	5
5.2 Rights and Obligations of Lessee Subject to Loan and Security Agreement	5
SECTION 6. Identification Marks	
6.1 Identifying Numbers; Legend; Changes	5
6.2 Insignia of Lessee	6
SECTION 7. [This Section Intentionally Left Blank]	
SECTION 8. Payment for Casualty Occurrences; Termination; Insurance	
8.1 Casualty Occurrence; Payments	6
8.2 Requisition Not Constituting a Casualty Occurrence	8
8.3 Payment After Expiration of Lease	8
8.4 Amount of Casualty Value	8
8.5 No Release	9
8.6 Insurance to be Maintained	9
8.7 Insurance Proceeds	10
8.8 Optional Termination Upon Economic Obsolescence	11

<u>Section</u>	<u>Page</u>
SECTION 9. Reports	13
SECTION 10. Disclaimer of Warranties; Warranty of Title	14
SECTION 11. Laws and Rules	
11.1 Compliance	15
11.2 Reports by Lessee	16
SECTION 12. Maintenance	
12.1 Maintenance	16
12.2 Additions and Accessions	16
SECTION 13. [This Section Intentionally Left Blank]	17
SECTION 14. Default	
14.1 Events of Default; Remedies	17
14.2 Remedies Not Exclusive; Waiver	20
14.3 Failure to Exercise Rights Is Not Waiver	21
14.4 Notice of Event of Default	21
SECTION 15. Return of Rail Cars Upon Default	
15.1 Return of Rail Cars	21
15.2 Lessor Appointed Agent of Lessee	23
SECTION 16. Assignment, Possession and Use	
16.1 Assignment; Consent; Security for the Lessor's Obligations to Holders of Notes	23
16.2 Lessee's Rights to Use the Rail Cars, to Permit Use thereof by Others and to Sublease the Rail Cars	23
16.3 Transfers by Lessee Through Merger, Acquistion or Consolidation	25
SECTION 17. Renewal Option; Purchase Option	
17.1 Renewal for Successive Periods	26
17.2 Purchase Option	26
17.3 Determination of Fair Market Rental Value and Fair Market Sales Value	27
SECTION 18. Return of Rail Cars Upon Expiration of Term	29

<u>Section</u>	<u>Page</u>
SECTION 19. Recording	30
SECTION 20. Lessor's Right to Perform for the Lessee	31
SECTION 21. Notices	31
SECTION 22. Severability	32
SECTION 23. Effect and Modification of Lease	32
SECTION 24. Third-Party Beneficiaries	32
SECTION 25. Execution	33
SECTION 26. Law Governing	33
SECTION 27. Immunities; No Recourse	33
SECTION 28. Agreements for Benefit of Lessor's Assigns	33
SECTION 29. Term Lessor	34
SECTION 30. Liability of Lessor Limited	34
SECTION 31. Action by Wilmington Trust Company.....	34

EXHIBIT

A - Form of Lease Supplement

APPENDICES

- A - Basic Rent Percentages
- B - Casualty Value Percentages
- C - Termination Value Percentages

LEASE OF RAILROAD EQUIPMENT, dated as of September 15, 1989, between CARGILL, INCORPORATED, a Delaware corporation (the "Lessee"), and WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity, except as otherwise set forth herein, but solely as Owner Trustee under the Trust Agreement referred to in Section 1 hereof (the "Lessor"). Certain capitalized terms used herein have the respective meanings attributed thereto in Section 1.

WHEREAS, pursuant to the Participation Agreement the Lessor, subject to the terms and conditions thereof, has agreed to purchase certain rail tank cars and related equipment more specifically described therein from the Lessee, such purchases to be made on the Delivery Dates;

WHEREAS, the Lessee desires to lease such rail tank cars and related equipment at the rentals and for the term and upon the conditions hereinafter provided; and

WHEREAS, in order to secure certain borrowings to be made by the Lessor to finance the purchase price of such rail tank cars and related equipment, the Lessor has granted a first and prior security interest therein and has assigned this Lease and certain of the payments to be made by the Lessee hereunder to the Lender.

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee pursuant to this Lease and the other Operative Documents, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Lessor hereby leases to the Lessee the rail tank cars and related equipment purchased by the Lessor pursuant to the Participation Agreement upon the following terms and conditions:

SECTION 1. DEFINITIONS

Unless otherwise defined herein, capitalized terms shall have the meanings specified in Schedule I to this Agreement for all purposes of this Lease (as modified, amended or supplemented from time to time) and such meanings shall be equally applicable to both the singular and plural forms of terms therein or herein defined.

SECTION 2. NET LEASE

This Lease is a net lease. Each of the Lessee's obligations to pay all rentals and other amounts hereunder shall be absolute and unconditional, without notice or demand and the Lessee shall not be entitled to any abatement of rent or such other amounts, reduction thereof or setoff against rent or such other amounts, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any

past, present or future claims of the Lessee against the Lessor, the Owner Participant, the holder from time to time of any Note or any other person, either under this Lease or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Rail Cars from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Rail Cars, the prohibition of or other restriction against the Lessee's use of all or any of the Rail Cars, the interference with such use by any person, the invalidity or unenforceability or lack of due authorization of this Lease or any other Operative Document, any defect in the title to, compliance with plans or specifications for, condition, design, fitness for use, operation, damage or destruction of all or any of the Rail Cars, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, Lessor or any other person or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease of any of the Rail Cars except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment (except for any excess payment made in manifest error) from the Lessor, the Owner Participant, the Lender, or any holder or former holder of a Note for any reason whatsoever.

SECTION 3. DELIVERY AND ACCEPTANCE OF RAIL CARS

On each Delivery Date, the Lessee shall execute and deliver to the Lessor one or more Bills of Sale substantially in the form of Exhibit B to the Participation Agreement and one or more Lease Supplements substantially in the form of Exhibit A hereto relating to the Rail Cars being acquired on such Delivery Date by the Lessor pursuant to (and in the manner and subject to the conditions set forth in) the Participation Agreement. Upon delivery of each such Bill of Sale and Lease Supplement to the Lessor and execution by the Lessor of the form of acceptance contained in the Lease Supplement, title to the Rail Cars subject thereto shall pass to the Lessor and each such Rail Car shall be deemed to have been delivered to and accepted by the Lessee for all purposes of this Lease and thereupon shall be subject to all of the terms and conditions of this Lease. Lessee's execution and delivery of a Lease Supplement and execution by the Lessor of the form of acceptance contained in the Lease Supplement shall be

conclusive proof that the Rail Cars listed therein have been leased to Lessee subject to the terms hereof.

SECTION 4. RENTALS

4.1. Basic Rent. The Lessee agrees to pay to the Lessor, as rental for each Rail Car subject to this Lease, 40 consecutive semiannual payments of rent, one such installment payable on January 2 and July 2 of each year, commencing on July 2, 1990, to and including January 2, 2010 ("Basic Rent"). Subject to adjustment in accordance with Section 4.4 hereof, each semiannual payment of Basic Rent in respect of each Rail Car subject to this Lease shall be in an amount equal to the percentage set forth in the rent schedule attached to the Lease Supplement covering such Rail Car applicable to the semiannual rental payment being made multiplied by the amount of the Purchase Price of such Rail Car.

4.2. Minimum Payments. Notwithstanding anything to the contrary herein or in any other Operative Document contained, in all events and irrespective of any adjustment thereto pursuant to Section 4.4 hereof or otherwise, each payment of Basic Rent under Section 4.1 hereof, and each amount of Casualty Value or Termination Value payable under Section 8 or Section 14 hereof shall at least be in an amount such that, as and when received by the Lender as contemplated by Section 16.1, it shall be sufficient to pay the full amount of principal, interest and Termination Yield Maintenance Amount, if any, then due and payable in respect of all Notes then outstanding under the Loan and Security Agreement. Nothing in this Section 4.2 shall be deemed to constitute a guarantee by the Lessee of the indebtedness evidenced by the Notes or a guarantee of the residual value of any Rail Car.

4.3. Supplemental Rent. In addition to its obligation to pay Basic Rent hereunder, the Lessee shall pay Supplemental Rent to whomever due as and when the same shall become due and owing and in the event of any failure on the part of the Lessee to pay the same when due and owing, the Lessor shall have all rights, powers and remedies provided for herein or at law or in equity or otherwise in the case of nonpayment of Basic Rent. The Lessee also agrees to pay to the Lessor or such other person as shall be entitled thereto, upon demand, as Supplemental Rent, to the extent permitted by applicable law, interest at the rate of 10.45% per annum on (i) any part of any installment of Basic Rent not paid when due for each day for which the same shall be overdue, computed on the basis of a 360 day year of twelve 30 day months, and (ii) any payment of Supplemental Rent (other than such interest) not paid when due for each day for which the same shall be overdue until the same shall be paid.

4.4. Adjustments to Basic Rent, Casualty Value and Termination Value. (i) The percentages for Basic Rent, Casualty Value and Termination Value set forth in the schedules attached

to each Lease Supplement shall be prepared by reference to the percentages of Basic Rent, Casualty Value and Termination Value attached hereto, respectively, as Appendices A, B, and C hereto, adjusted (upward or downward) to reflect (a) a Delivery Date earlier or later than September 29, 1989, and (b) (1) any Interim Period Change in Tax Law requiring Primary Adjustments in accordance with Section 2(d) of the Participation Agreement or (2) any costs and expenses paid or caused to be paid by the Owner Participant pursuant to Section 13(b) of the Participation Agreement greater or less than 1.0% of the Purchase Price, so as to preserve for the Owner Participant its Net Economic Return while minimizing the net present value to the Lessee of the installments of Basic Rent payable under the Lease, provided, that each installment of Basic Rent shall be in an amount sufficient to pay on each installment date the principal of, and interest on, the Notes due on such date and the Casualty Value and Termination Value as of any date shall be sufficient to pay the aggregate unpaid principal amount of the Notes outstanding as of such date.

(ii) The percentages for Basic Rent, Casualty Value and Termination Value set forth in the schedules attached to each Lease Supplement shall be adjusted (upward or downward), in each case so as to preserve for the Owner Participant its Net Economic Return, to reflect (a) the payment by the Owner Participant of any amounts pursuant to Section 10(f) of the Participation Agreement on (if not considered in the preparation of such schedules pursuant to Section 4.4(i) hereof) or after the date of such Lease Supplement or (b) any Proposed Change in Tax Law requiring Secondary Adjustments in accordance with Section 2(d) of the Participation Agreement. The Owner Participant shall furnish Lessee with a notice setting forth the amount of adjustments required by the foregoing clause (a) on or prior to May 15, 1990. At the request and expense of Lessee, the accuracy of the Owner Participant's calculation of such adjustments and the consistency of the calculation with the calculation used to determine the percentages of Basic Rent, Casualty Value and Termination Value, shall be verified by the firm of independent public accountants then retained by the Owner Participant, and, in order to enable such accountants to verify such adjustment, the Owner Participant shall provide such accountants (for their own confidential use and not be disclosed to Lessee or any other person) all information reasonably necessary for such verification, including any computer program used by the Owner Participant to calculate such adjustments. Any such adjustment after the date of the Lease Supplement shall be reflected in an amended and restated Lease Supplement which shall be executed and delivered by Lessee and the Owner Trustee.

4.5. Payments on Nonbusiness Days. If any payment date referred to in Section 4.1 or Section 4.3 hereof is not a Business Day the rental payment otherwise payable on such date shall be payable on the next succeeding Business Day.

4.6. Place of Rent Payment. Except as otherwise provided in Section 16.1, each installment of Basic Rent shall be paid to the Lessor and all amounts of Supplemental Rent shall be paid to the person entitled thereto at such address as the Lessor or such person, as the case may be, shall have provided to the Lessee in writing.

4.7. Payment in Immediately Available Funds. The Lessee agrees to make each payment provided for hereunder in immediately available funds at or prior to 11:00 a.m. in the city where such payment is to be made.

SECTION 5. TERM OF LEASE

5.1. Beginning and Termination; Survival. The term of this Lease as to each Rail Car shall begin on the Delivery Date applicable to such Rail Car under the Participation Agreement, and subject to the provisions of Sections 8, 14 and 17 hereof, shall terminate on the date on which the final payment of Basic Rent in respect thereof is due pursuant to Section 4.1 hereof. Notwithstanding anything contained in the preceding sentence to the contrary, the obligations of the Lessee hereunder (including, but not limited to, the obligations under Sections 8, 11, 12 and 18 hereof) shall survive the expiration of the term of the Lease and continue in full force and effect until the same shall have been fully performed by the Lessee.

5.2. Rights and Obligations of Lessee Subject to Loan and Security Agreement. Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Rail Cars are subject to the rights of the Lender. If a Loan and Security Agreement Event of Default should occur, the Lender may terminate this Lease (or rescind its termination); provided, however, that so long as (i) no Event of Default exists hereunder and (ii) the Lessee is complying with the provisions of Section 16.1 hereof, this Lease may not be terminated and the Lessee shall be entitled to the rights of possession and use provided under Section 16 hereof.

SECTION 6. IDENTIFICATION MARKS

6.1. Identifying Numbers; Legend; Changes. The Lessee will cause each Rail Car to be kept numbered with the identification number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Rail Car, and, from and after the Basic Term Commencement Date, but in any event, prior to any Rail Car leaving the respective Manufacturer's facilities, the Lessee will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Rail Car, in letters not less than one inch in height, the words "OWNED BY WILMINGTON TRUST COMPANY AS OWNER TRUSTEE AND SUBJECT TO A LOAN AND SECURITY AGREEMENT IN FAVOR OF THE PRUDENTIAL INSURANCE COMPANY OF AMERICA FILED WITH THE INTERSTATE COMMERCE COMMISSION" or other appropriate words

designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's title to and the Lender's interests in such Rail Car and the rights of the Lessor under this Lease and of the rights of the Lender under the Loan and Security Agreement. The Lessee will replace promptly any such words which may be removed, defaced, obliterated or destroyed. The Lessee will not change the identification number of any Rail Car unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Lender and the Lessor and filed, recorded and deposited by the Lessee in all public offices where this Lease and the Loan and Security Agreement shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Lender and the Lessor an opinion of counsel in form and substance reasonably satisfactory to the Lessor and the Lender to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Lender's and the Lessor's interests in such Rail Cars and that no other filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect the interests of the Lender and the Lessor in such Rail Cars.

6.2. Insignia of Lessee. The Rail Cars may be lettered with the names or initials or other insignia customarily used by the Lessee or its permitted sublessees but the Lessee will not allow the name of any other person, to be placed on any Rail Car as designation that might be interpreted as a claim of ownership.

SECTION 7. [THIS SECTION INTENTIONALLY LEFT BLANK]

SECTION 8. PAYMENT FOR CASUALTY OCCURRENCES;
TERMINATION; INSURANCE

8.1. Casualty Occurrence; Payments. (i) In the event of any Casualty Occurrence with respect to any Rail Car or Rail Cars, the Lessee shall promptly (and in any event within 20 days) and fully notify the Lessor and the Lender with respect thereto. Subject to Section 8.1(ii) hereof, on the Casualty Payment Date with respect to the Rail Car or Rail Cars which shall have suffered such Casualty Occurrence, the Lessee shall pay to the Lessor a sum equal to the Casualty Value of each such Rail Car plus all other amounts due hereunder in respect of such Rail Car as of the date Casualty Value is calculated pursuant to Section 8.4, other than the current installment of Basic Rent, if any, otherwise due and payable on such date. Upon the making of such payment by the Lessee in respect of any Rail Car, the Basic Rent for such Rail Car shall cease to accrue, the term of this Lease as to such Rail Car shall terminate and the Lessor shall be entitled to recover possession of such Rail Car, subject to the right of the Lessee to dispose of such Rail Car as agent for the

Lessor as provided in the last sentence of this Section 8.1(i). Following any payment of Casualty Value by the Lessee, provided that no Default or Event of Default shall have occurred and be continuing, the Lessee shall be entitled to receive and retain for its own account all condemnation or requisition payments in respect of such Rail Car up to the amount of such Casualty Value, and any excess shall be paid over to, or retained by, the Lessor for its own account. In the event under the circumstances contemplated by the preceding sentence such Rail Car shall be returned by the governmental entity prior to the time the Lessee shall have been reimbursed by such application of condemnation or requisition payments in an amount equal to such Casualty Value previously paid to the Lessor, then, upon notice to the Lessor, the Lessee shall dispose of such Rail Car as agent for the Lessor, and shall retain the proceeds of such disposition to the extent that the aggregate of the amounts so retained and the condemnation or requisition payments theretofore received by the Lessee shall equal such Casualty Value previously paid to the Lessor, and the balance of such proceeds shall be promptly paid to the Lessor.

(ii) Upon the occurrence of a Casualty Occurrence of the type referred to in clause (iii) of the definition thereof which is due to a material breach of a Manufacturer's warranty with respect to such Rail Car, Lessee may, at its option (instead of complying with Section 8.1(i) hereof with respect to such Rail Car), duly convey to Lessor (in any event not later than the date upon which the Casualty Value with respect to such Rail Car would be otherwise payable pursuant to Section 8.1(i) hereof) as replacement for such Rail Car, title to a replacement Rail Car (the "Replacement Rail Car"), free and clear of all liens, encumbrances or rights of others whatsoever (except the Lien of the Lease and the Loan and Security Agreement) and having a value and utility at least equal to, and being in as good operating condition as, the Rail Car being replaced (assuming the Rail Car being replaced was in the condition and repair required by the terms hereof disregarding the occurrence of such Casualty Occurrence). Prior to or at the time of any such conveyance, Lessee, at its own expense, shall promptly (a) furnish Lessor with a Bill of Sale, in form and substance satisfactory to the Lessor and the Lender, with respect to such Replacement Rail Car, (b) enter into a supplement hereto, in form and substance satisfactory to the Lessor and the Lender, subjecting such Replacement Rail Car to this Lease, and cause such supplement, together with an appropriate supplement to the Loan and Security Agreement and all such other documents and instruments (including Uniform Commercial Code financing statements) to be filed and recorded in such manner and places as shall be necessary or appropriate to confirm the title and interest of the Lessor and lien of the Lender pursuant to the Loan and Security Agreement in respect of such Rail Car, (c) furnish Lessor and the Lender with such evidence of title to such Replacement Rail Car and of compliance with the insurance provisions of Section 8.6 hereof with respect to such Replacement Rail Car as Lessor and the

Lender may reasonably request, (d) furnish Lessor and the Lender with an opinion of Lessee's counsel to the effect that title to such Replacement Rail Car has been duly conveyed to Lessor free and clear of all liens, encumbrances and rights of others (except the lien of this Lease and the Loan and Security Agreement) and is duly leased hereunder and subject to the lien of the Loan and Security Agreement and (e) furnish Lessor and the Lender with an Officer's Certificate of Lessee certifying that, upon consummation of such replacement, no Default or Event of Default will exist hereunder. Upon the completion of the conveyance of a Replacement Rail Car by Lessee pursuant to this Section 8.1(ii), Lessor will transfer to Lessee or to any Person designated by Lessee all right, title and interest in and to the Rail Car with respect to which such Casualty Occurrence occurred, free and clear of Lessor's Liens and the lien of the Loan and Security Agreement but otherwise without recourse, representation or warranty of any character. For all purposes hereof, each such Replacement Rail Car shall be deemed part of the equipment leased hereunder, and shall be deemed a "Rail Car" as defined herein and the manufacturer of such Rail Car shall be deemed a "Manufacturer" as defined herein. No Casualty Occurrence covered by this Section 8.1(ii) shall result in any reduction or increase in Basic Rent.

8.2. Requisition Not Constituting a Casualty Occurrence. In the event of the requisition for use of any Rail Car which does not, or does not yet, constitute a Casualty Occurrence hereunder, all of the Lessee's obligations under this Lease with respect to such Rail Car (including, without limitation, the obligation to make all payments of Basic Rent and Supplemental Rent) shall continue to the same extent as if such requisition had not occurred. All payments received by the Lessor or the Lessee from the United States Government or any other governmental entity for the use of such Rail Car during the term of this Lease (other than a use of such Rail Car constituting a Casualty Occurrence) shall be paid over to, or retained by, the Lessee provided no Default or Event of Default shall have occurred and be continuing.

8.3. Payment After Expiration of Lease. If the date upon which the making of the payment by the Lessee in Section 8.1 hereof in respect of any Rail Car as required as aforesaid shall be after the term of this Lease or any renewal term thereof in respect of such Rail Car, no Basic Rent for such Rail Car shall accrue after the end of such term.

8.4. Amount of Casualty Value. The "Casualty Value" of each Rail Car shall be an amount which, subject in any event to Section 4.2 hereof, shall be equal to that percentage of the Purchase Price of such Rail Car as is set forth in the schedule of percentages of Casualty Value appended to the Lease Supplement covering such Rail Car opposite the date next succeeding the date of such Casualty Occurrence.

8.5. No Release. Except as hereinabove in Sections 8.1 and 8.3 provided with respect to payment of Basic Rent, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Rail Car from and after delivery and acceptance thereof by the Lessee hereunder.

8.6. Insurance To Be Maintained. (i) The Lessee will at all times prior to the return of the Rail Cars to the Lessor pursuant to the terms hereof and at Lessee's own expense, cause to be carried and maintained with financially sound and reputable insurers (a) comprehensive general public liability insurance with respect to the Rail Cars against third party personal injury and property damage and (b) property insurance in respect of the Rail Cars at the time leased hereunder, said property insurance to be in amounts at least equal at all times to the aggregate Casualty Value of such Rail Cars (I) during the Interim Term, as computed on January 2, 1990, and (II) on or after the Primary Lease Term Commencement Date, on the next succeeding semiannual rental payment date, as the case may be; provided, however, that the Lessee may, in the case of property insurance, self-insure such Rail Cars to the extent that such self-insurance is (a) consistent with prudent industry practice and, in any event, (b) in an amount (considered in relation to the then current value of such Rail Cars) no greater than the amount of selfinsurance maintained with respect to other similar equipment, if any, then owned or leased by the Lessee (considered in relation to the then current value of such similar equipment); and provided, further, that property insurance may provide for such deductibles as are (I) consistent with prudent industry practice and, in any event (II) in an amount no greater than the amount of deductibles allowed with respect to insurance maintained on other similar equipment. Except as otherwise provided in the provisos to the foregoing sentence, the Lessee will carry such insurance in such amounts, for such risks and with such deductibles as are reasonably satisfactory to the Lessor both in its individual capacity and in its capacity as Owner Trustee and the Lender and in any event consistent with prudent industry practice and at least comparable in amounts and against risks customarily insured against by the Lessee and corporations of established reputation engaged in the same or similar business as the Lessee. If at any time the Lessee shall be unable to obtain \$25,000,000 of liability insurance pursuant to the foregoing sentence, then the Lessor may request a certificate of an independent insurance broker stating that the amount of insurance carried by Lessee is consistent with prudent industry practice and that liability insurance in excess of the amount then being carried is commercially unavailable. Lessee shall pay the cost of such certificate. The proceeds of any such insurance shall be payable to the Lender (pursuant to a standard mortgagee loss payable clause in the case of property insurance), the Lessor and, so long as no Default or Event of Default shall have occurred and be continuing, the Lessee, as their respective interests may appear, so long as the Loan and Security Agreement shall not have been

terminated in accordance with its terms, and thereafter to the Lessor, and so long as no Default or Event of Default shall have occurred and be continuing, the Lessee, as their respective interests may appear. All policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior notice to the Owner Participant, the Lessor, and the holders of the Notes of cancellation in or expiration of coverage, (ii) name the Owner Participant, the Lessor, Wilmington Trust Company in its individual capacity, and the holders of the Notes as additional named insureds or as loss-payees, as their respective interests may appear regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Lessee, and (iii) waive any right to claim any premiums or commission against the Owner Participant, the Lessor, and the holders of the Notes. Such policies shall not require contributions from other policies held by the Owner Participant, the Lessor or the holders of the Notes. The Lessee will cause its insurers to notify the Owner Participant, the Lessor, and the holders of the Notes of any material change in coverage under any policy of insurance carried in accordance with this paragraph promptly after the Lessee receives such notification. Prior to each Delivery Date, and thereafter not less than 15 days prior to the expiration dates of the expiring policies theretofore delivered pursuant to this Section 8, the Lessee shall deliver to the Owner Participant, the Lessor and the holders of the Notes certificates issued by the insurer(s) for the insurance maintained pursuant to this Section 8; provided, however, that if the delivery of any certificate is delayed, the Lessee shall deliver any executed binder with respect thereto and shall deliver the certificate upon receipt thereof. Prior to each Delivery Date and thereafter not later than the anniversary of the first Delivery Date in each year, the Lessee will furnish to the Owner Participant, the Lessor and the holders of the Notes a certificate of an independent insurance broker of recognized standing evidencing the maintenance of all insurance required hereunder and stating that, in the opinion of such insurance broker, the insurance then carried and maintained on or with respect to the Rail Cars complies with the terms hereof.

(ii) In the event that the Lessee shall fail to maintain insurance as herein provided, the Lessor may at its option provide such insurance (giving the Lessee prompt written notice thereof) and, in such event, the Lessee shall, upon demand from time to time, reimburse the Lessor for the cost thereof together with interest, on the amount of the cost to the Lessor of such insurance which the Lessee shall have failed to maintain, at the rate per annum specified in Section 20 hereof.

8.7. Insurance Proceeds. Following any payment of Casualty Value by the Lessee, provided that no Default or Event of Default shall have occurred and be continuing, the Lessee shall be entitled to receive and retain for its own account all proceeds of insurance (including without limitation casualty payments under the American Association of Railroads rules and

regulations) in respect of any Rail Cars suffering a Casualty Occurrence up to the amount of such Casualty Value, and any excess shall be paid over to, or retained by, the Lessor for its own account. All insurance proceeds received by the Lender (or the Lessor, if the Loan and Security Agreement shall have been terminated in accordance with Section 11.02 thereof) in respect of any Rail Car not suffering a Casualty Occurrence shall be paid to the Lessee upon receipt by the Lender (or the Lessor, if the Loan and Security Agreement shall have been terminated, in accordance with Section 11.02 thereof) of an Officer's Certificate of the Lessee stating that any damage to such Rail Car in respect of which such proceeds were paid has been fully repaired.

8.8. Optional Termination Upon Economic Obsolescence.

(i) In the event that, at any time on or after January 2, 1995, the Lessee shall, in its reasonable judgment evidenced by a written certificate to such effect signed on behalf of the Lessee by its chief financial officer, treasurer or assistant treasurer and delivered to the Lessor and the Lender, determine in good faith that a Lot of Rail Cars has become (a) surplus to its needs, (b) technologically obsolete or (c) uneconomical for continued use in the Lessee's business and that it has discontinued or intends to discontinue using such Rail Cars, then the Lessee shall have the right, at its option and on at least 120 days' prior written notice to the Lessor and the Lender to terminate this Lease (a "Termination") with respect to such Lot of Rail Cars (each Rail Car the lease of which is to be terminated being called a "Terminated Rail Car") as of the Termination Date specified in such notice; provided, that no Default or Event of Default shall have occurred and be continuing, on the Termination Date each Terminated Rail Car shall be in the same condition as if being redelivered pursuant to Section 15 hereof, and on the Termination Date Lessee shall have paid to Lessor all rents due hereunder as of such date, and Lessee shall have complied in full with the further provisions of this Section 8.8. Any notice of Termination pursuant to this Section 8.8(i) shall be accompanied by the written certificate referred to herein.

(ii) During the period after the giving of such notice until the fifth Business Day preceding the Termination Date, the Lessee shall use its best efforts to obtain bids for the purchase of all Terminated Rail Cars, and the Lessee shall at least five Business Days prior to such Termination Date certify to the Lessor the amount of each such bid and the name and address of the person (which shall not be a corporation or individual affiliated with the Lessee or any person from whom the Lessee or any such affiliate intends to lease back such Terminated Rail Car) submitting such bid. On the Termination Date, unless the Lessee shall have revoked its election to terminate this Lease in the manner hereinafter provided, the Lessor shall sell, without recourse or warranty, express or implied, except as to Lessor's Liens, all Terminated Rail Cars for cash to the bidder or bidders

who shall have submitted the highest bid or bids prior to the Termination Date and shall warrant to such bidder or bidders that the title to such Terminated Rail Cars shall be free and clear of all Lessor's Liens. The total sale price realized at such sale shall be paid to the Lessor.

(iii) On such Termination Date, the Lessee shall pay to the Lessor, (a) the excess, if any, of the Termination Value of each Terminated Rail Car computed as of such date over the proceeds of the sale of such Terminated Rail Car after the deduction of all expenses incurred by the Lessor under the Lease, (b) all unpaid rental payments, if any, then due under the Lease (excluding the installment of Basic Rent otherwise due on the Termination Date) and (c) if the reason for such Termination is that such Rail Cars are uneconomical for continued use in Lessee's business, or such Rail Cars have been selected for termination from a pool of Rail Cars and other similar equipment leased by Lessee and the continued leasing by Lessee of such Rail Cars would be more expensive to Lessee than the continued leasing of an equal number of other rail cars leased under leases then eligible for termination an amount equal to five percent (5%) of the Purchase Price of such Terminated Rail Cars.

(iv) In the event of any such sale and the receipt in immediately available funds by the Lessor of the amounts described in respect of any Terminated Rail Car, the obligation of the Lessee to pay Basic Rent pursuant to Section 4 hereof in respect of such Terminated Rail Cars on each date which an installment of Basic Rent is due and payable hereunder (as well as all other obligations of Lessee hereunder in respect of such Terminated Rail Cars) shall continue to and including the Termination Date but shall then terminate provided that the Lessee shall have complied with all of the other provisions of this Section 8.8 with respect to such Terminated Rail Cars. The Lessor shall be under no duty to solicit bids, to inquire into the efforts of the Lessee to obtain bids or otherwise to take any action or incur any cost or expense in connection with any sale other than to transfer or to cause to be transferred all the Lessor's right, title and interest in and to the Terminated Rail Cars to the purchasers named in the highest bid or bids certified by the Lessee to the Lessor as above provided. Any such sale shall be free and clear of all the Lessee's rights to such Terminated Rail Car, but otherwise shall be made without warranties other than against Lessor's Liens.

(v) At any time after giving a termination notice pursuant to this Section 8.8 with respect to any Terminated Rail Cars and prior to the fifth Business Day preceding the Termination Date therefor, the Lessee may revoke its election to terminate this Lease with respect to such Terminated Rail Cars, and this Lease shall thereupon continue in effect with respect to such Terminated Rail Cars as though such election to terminate this Lease with respect thereto had not been made, but in such event the Lessee shall pay all expenses incurred by the Lessor

pursuant to this Section 8.8. If no sale shall occur on the date scheduled therefor as provided above, or the Lessee shall not pay to the Lessor the amounts set forth in Section 8.8(iii) then the Lessee shall be deemed to have revoked its election to terminate this Lease in the manner hereinabove provided.

(vi) If the Lessee shall exercise its option to terminate with respect to any Terminated Rail Car the Lessor may, notwithstanding such election by the Lessee, by written notice to the Lessee and the Lender given not later than 90 days after the termination notice is given to the Lessor and the Lender, elect to retain the Terminated Rail Cars, in which case the Lessee shall not be obligated to pay the Termination Value for such Terminated Rail Cars as above provided; provided, however, that such written notice shall be void and ineffective and such obligation of the Lessee to pay the Termination Value shall remain in effect unless the Lessor shall first have deposited with the Lender at least five days prior to the Termination Date an amount in cash equal to the principal of and Lender's estimate of Termination Yield Maintenance Amount with respect to the Notes required to be prepaid on such Termination Date, as a result of a Termination of this Lease in respect of such Terminated Rail Cars, pursuant to Section 5.02 of the Loan and Security Agreement together with interest accrued or to accrue on such principal amount to such Termination Date. In the event the Lessor shall so elect to retain the Terminated Rail Cars, the Lessee shall deliver the Terminated Rail Cars to the Lessor in accordance with the provisions of Section 15 hereof. For the purpose of calculating the Lender's estimate of Termination Yield Maintenance Amount to be deposited pursuant to this subparagraph (vi), the discount rate applicable therein shall be 100 basis points less than the actual discount rate at the time of calculation. Any Termination Yield Maintenance Amount deposited which is in excess of that on the actual date of purchase of a Terminated Rail Car by Lessor pursuant to this subparagraph (vi) shall be refunded to Lessor.

SECTION 9. REPORTS

On or before February 15 in each year, commencing with the calendar year 1990, the Lessee will furnish to the Lessor, the Lender and each other holder of a Note who specifically so requests in writing an Officer's Certificate (a) setting forth as at the preceding December 31 the total number, description and identification numbers of all Rail Cars then leased hereunder, the total number, description and identification numbers of all Rail Cars that have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending repairs (other than running repairs), the total number, description and identification numbers of all Excepted Rail Cars and setting forth such other information regarding the condition and state of repair of the Rail Cars as the Lessor, the Lender or such holder may reasonably request, (b) stating that, in the case of all Rail

Cars repainted or repaired during the period covered by such statement, the numbers and markings required by Section 6.1 hereof have been preserved or replaced, (c) stating that the Lessee is in compliance under the Lease and has performed or has caused to be performed the required maintenance of the Rail Cars and that no Default or Event of Default has occurred, (d) further identifying those Rail Cars to which the Lessee has made additions and accessions pursuant to Section 12.2 hereof and describing such additions and accessions and the costs thereof. The Lessor and the holder of any Note shall each have the right by its agent to inspect the Rail Cars and the Lessee's records with respect thereto at such reasonable times as the Lessor, the Lender or the holder of any Note may request during the continuance of this Lease.

SECTION 10. DISCLAIMER OF WARRANTIES; WARRANTY OF TITLE

NEITHER THE LESSOR, THE OWNER PARTICIPANT NOR THE LENDER MAKES OR HAS MADE, OR SHALL BE DEEMED TO MAKE OR HAVE MADE, ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE RAIL CARS DELIVERED TO THE LESSEE HEREUNDER, AND NEITHER THE LESSOR, THE OWNER PARTICIPANT NOR THE LENDER MAKES ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE RAIL CARS FOR ANY PARTICULAR PURPOSE OR AS TO TITLE TO THE RAIL CARS OR ANY COMPONENT THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY EXPRESS OR IMPLIED, WITH RESPECT TO ANY RAIL CAR, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, it being agreed that all such risks, as between the Lessor, the Owner Participant, the holder of any Note and the Lessee, are to be borne by the Lessee; but the Lessor hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Lessor and/or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Lessor may have against the Manufacturer of each Rail Car; provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Lessor may assert and enforce, at the Lessee's sole cost and expense, such claims and rights. Neither the Lessor, the Owner Participant nor the Lender shall have any responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Rail Cars or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Rail Cars or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Rail Cars. The Lessee's delivery of a Bill of Sale relating to a Rail Car as described in Section 3 hereof shall be conclusive

evidence as between the Lessee and the Lessor that such Rail Car is in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor, the Owner Participant or the Lender based on any of the foregoing matters.

The Lessor warrants that, upon its leasing of the Rail Cars to the Lessee pursuant to this Lease, title to the Rail Cars shall be of the same quality as was conveyed to the Lessor by the Lessee except for the Lien of the Loan and Security Agreement and the rights of the Lessee pursuant to this Lease. The Lessor covenants that, during the term of this Lease, or during any renewal term thereof, the Lessor shall not create or suffer or permit any Lessor's Liens on the Rail Cars and, should any such Lessor's Lien arise during the term of this Lease or during any renewal term thereof, the Lessor shall promptly discharge all such Lessor's Liens, but this provision shall not require the payment of any debt, tax, charge, assessment, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, provided that such contest will not materially endanger the rights or interests of the holders of the Notes and the Lessor shall have caused the Owner Participant to furnish the holders of the Notes with an opinion of the Owner Participant's counsel to such effect, provided that such opinion may specify exceptions to the foregoing conclusions if the Lessor shall cause to be issued a bond or other indemnity in respect of the matter so being contested which shall be in all respects (including, without limitation, the form, amount, payment terms and issuer thereof) satisfactory to the holders of the Notes in their sole and absolute discretion. The Lessor shall promptly pay any valid final judgment enforcing any such Lien and cause the same to be satisfied of record unless the same shall have been appropriately bonded.

During any renewal term of this Lease and only if the Loan and Security Agreement has been terminated according to its terms, the Lessor may create or permit Liens on the Rail Cars, provided, that no such Lien shall materially affect Lessee's operation or use of the Rail Cars during such renewal term.

SECTION 11. LAWS AND RULES

11.1. Compliance. The Lessee agrees, for the benefit of the Lessor and the Lender, to comply in all material respects, either individually or in the aggregate (including, without limitation, with respect to the use, maintenance and operation of each Rail Car), with all laws of the jurisdictions in which its operations involving the Rail Cars may extend, with the interchange rules of the Association of American Railroads (and qualify for interchange service in accordance with such interchange rules) and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Rail Cars, to

the extent that such laws and rules affect the title, operation, maintenance or use of the Rail Cars, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any Rail Car, the Lessee will conform therewith at its own expense; provided, however, that the Lessee may at its own expense, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor or the Lender, adversely affect the property or rights of the Lessor or the Lender under this Lease or under the Loan and Security Agreement or result in any liability, criminal or otherwise, on the part of the Lessor, the Lender, or the holder of any Note.

11.2. Reports by Lessee. The Lessee agrees to prepare and deliver to the Lessor and the Lender within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor and the Lender) any and all reports (other than income tax returns) to be filed by the Lessor or the Lender with any Federal, state or other regulatory authority by reason of the ownership by the Lessor or the Lender of the Rail Cars or the leasing thereof to the Lessee. The Lessor and the Lender each agree to inform the Lessee of any request for such reports received by it.

SECTION 12. MAINTENANCE

12.1 Maintenance. The Lessee agrees that, at its own cost and expense, it will (i) maintain and service each Rail Car (including any parts installed on or replacements made to any Rail Car and considered an accession thereto as herein below provided) which is subject to this Lease consistent with Lessee's standards for similar owned or leased rail cars, so that each Rail Car, and each component thereof, will remain (a) in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (b) in compliance with any and all applicable laws, regulations, requirements and rules, including, without limitation, those set forth in Section 11.1 hereof, and (c) in compliance with the Manufacturer's recommendations, maintenance standards, service bulletins, manuals and preventive maintenance schedules relating to the Rail Cars, all as in effect on each Delivery Date and published from time to time during the Lease Term; and (ii) maintain all records, logs and other materials required by the Association of American Railroads or the Department of Transportation, or any other governmental authority having jurisdiction over the Rail Cars or the Lessee, to be maintained in respect of each Rail Car.

12.2. Additions and Accessions. (i) Subject in all events to Sections 11.1 and 12.1 hereof, the Lessee, at its own cost and expense, may from time to time make such other additions, modifications and improvements to the Rail Cars during the term of this Lease as are readily removable without causing material damage to the Rail Cars (and do not adversely and

materially affect the value, utility and remaining useful life of the Rail Cars). The additions, modifications and improvements made by the Lessee under the preceding sentence shall be owned by the Lessee, except to the extent such additions, modifications or improvements are made in order to comply with Section 12.2(ii) hereof.

(ii) Any and all parts installed on and additions and replacements made to any Rail Cars (a) which are not readily removable without causing material damage to such Rail Car or were installed or were added to such Rail Car in contravention of the Lessee's agreements contained in Section 12.2(i) hereof, (b) the cost of which is included in the Purchase Price of such Rail Car, (c) in the course of ordinary maintenance of the Rail Cars or (d) which are required by the interchange rules of the Association of American Railroads or by the regulations of the Interstate Commerce Commission, the Department of Transportation or any other applicable regulatory body, for the operation or use of such Rail Car in railroad interchange, shall constitute accessions to such Rail Car and full ownership thereof free from any lien, charge, security interest or encumbrance (except for those created by the Loan and Security Agreement and Lessor's Liens) shall immediately be vested in the Lessor, and the Lessee shall comply with all provisions of Section 19 hereof applicable to such accessions.

SECTION 13. [THIS SECTION INTENTIONALLY LEFT BLANK].

SECTION 14. DEFAULT

14.1. Events of Default; Remedies. If, during the continuance of this Lease or any extension or renewal hereof, one or more of the following events (each such event being herein sometimes called an "Event of Default") shall occur (whatsoever the reason for its occurrence, whether the same shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, order or decree of any court of any other rule or regulation of any administrative commission, agency or authority):

(1) default shall be made in payment of any amount provided for in Section 4, 8 or 17 hereof, and such default shall continue for 10 days;

(2) the Lessee shall at any time fail to comply with the provisions of Section 8.6 hereof regarding insurance;

(3) default shall be made in the observance or performance of any of the covenants, conditions or agreements on the part of Lessee contained in Sections 12.1, 14.4, 16.2, 16.3 and 19;

(4) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein or in any Operative Document and such default shall continue for 30 days after written notice from the Lessor, the Owner Participant, or the holder of any Note to the Lessee specifying the default or demanding that the same be remedied;

(5) any representation or warranty made by the Lessee herein, in the Participation Agreement or in any certificate or statement furnished to the Lessor, the Owner Participant or the holder of any Note pursuant to or in connection with any such agreements, shall have been untrue or misleading in any material respect as of the date of making thereof;

(6) the Lessee shall make an assignment for the benefit of creditors or shall fail generally to pay its debts as they become due; or any order, judgment or decree shall be entered adjudicating the Lessee bankrupt or insolvent; or the Lessee shall petition or apply to any tribunal for the appointment of a trustee, receiver, custodian or liquidator of the Lessee or of any substantial part of its assets or shall commence any proceedings relating to the Lessee or any substantial part of its assets under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect; or any such petition or application shall be filed, or any such proceedings shall be commenced, against the Lessee and the Lessee by any act shall indicate its approval thereof, consent thereto or acquiescence therein; or

(7) any order, judgment or decree shall be entered appointing any such trustee, receiver, custodian or liquidator or approving a petition in any such proceedings and such order, judgment or decree shall remain unstayed and in effect for more than 60 days; or any order, judgment or decree shall be entered in any proceedings against the Lessee decreeing its dissolution and such order judgment or decree shall remain unstayed and in effect for more than 60 days;

then, in any such case, the Lessor, at its option, may declare this Lease in default, and, at its option, may,

(i) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(ii) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Rail Cars shall absolutely cease and terminate as though this Lease had never been made, except that the Lessee shall remain liable as herein provided. Thereupon the Lessor may by its agents enter upon the premises of the Lessee or other premises, insofar as the Lessee may be lawfully authorized to so permit, where any of the Rail Cars may be located, without judicial process if this can be done without breach of the peace and in accordance with due process of law, and take possession of all or any of such Rail Cars and thenceforth hold, possess, sell, operate, lease and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Rail Cars for any purposes whatsoever and without any duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom (any such proceeds to be first applied to Lessee's obligations hereunder). The Lessor shall, nevertheless have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due, together with an amount equal to the Basic Rent or Renewal Rent, as the case may be, which would have become due, but for such termination, on the Basic Rent or Renewal Rent payment date, as the case may be, immediately succeeding the date of termination multiplied by a fraction of which the numerator is the number of days from the Basic Rent or Renewal Rent payment date, as the case may be, immediately preceding such termination to the date of termination and the denominator is 180. In addition, the Lessor shall be entitled to recover forthwith from the Lessee as damages for loss of the bargain and not as a penalty whichever of the following amounts that the Lessor, in its sole discretion, shall specify:

(a) a sum, with respect to each Rail Car, which represents (I) (x) the Default Yield Maintenance Amount, or (y) the excess of the then present value of the entire unpaid balance of all rentals hereunder which would, but for the Lessee's default, have accrued hereunder from the date of such default to the end of the Basic Term or Renewal Term, as the case may be (to be computed at the Discount Rate, computed semiannually for the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated), over (A) the then present value of the rental (determined, at the Lessee's expense, by an independent appraiser) obtainable at that time for such Rail Car (to be computed at the Discount Rate, computed semiannually for the respective dates upon which rentals would have been payable hereunder had this

Lease not been terminated) or, (B) if such Rail Car is sold, the net proceeds of the sale, plus (II) any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental; or

(b) the sum of (I) an amount equal to the excess, if any, of the Casualty Value as of the date on or next preceding the date of termination for which a Casualty Value percentage is specified over the amount determined by an independent appraiser (at the Lessee's expense) to be the fair market sales value of such Rail Car at such time plus (II) any amounts described in clause (a) (II) above;

provided, however, that in the event the Lessor shall have sold any Rail Car, the Lessor in lieu of collecting any amounts payable by the Lessee pursuant to the preceding clause (b) (I) with respect to such Rail Car, shall demand that the Lessee pay to the Lessor and the Lessee shall pay to the Lessor on the date of such sale an amount equal to the excess, if any, of the Casualty Value for such Rail Car as of the Basic Rent payment date on or next preceding the date of termination for which a Casualty Value percentage is specified over the net proceeds of such sale; or

(iii) exercise any other right or remedy available to it by law or by agreement, and in any event may recover, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and any and all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Rail Car.

14.2. Remedies Not Exclusive; Waiver. The remedies provided in this Lease in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in question, prohibited by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make such payments

regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

Except as otherwise provided in this Lease, the Lessee, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, any other requirements with respect to the enforcement of the Lessor's rights under this Lease and any and all rights of redemption.

14.3. Failure To Exercise Rights Is Not Waiver. The failure of the Lessor, the Lender or any other holder from time to time of any Note to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

14.4. Notice of Event of Default. The Lessee agrees to furnish the Lessor, the Owner Participant, the Lender, and any other holder from time to time of any Note who shall have requested of the Lessee in writing that notice of the type referred to below be furnished to it, promptly upon any responsible officer becoming aware of any condition which constituted or constitutes a Default or an Event of Default, written notice specifying such condition and the nature and status thereof. For the purposes of this Section 14.4, a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee contained in this Lease, any corporate officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

SECTION 15. RETURN OF RAIL CARS UPON DEFAULT

15.1. Return of Rail Cars. If this Lease shall terminate pursuant to Section 5.2 or Section 14 hereof, the Lessee shall forthwith deliver possession of the Rail Cars to the Lessor. Each Rail Car so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, shall comply with all laws and rules referred to in Section 11.1, shall qualify for interchange service in accordance with the interchange rules of the Association of American Railroads, and shall have attached or affixed thereto any addition, modification or improvement considered an accession thereto as provided in Section 12 hereof and shall have removed in a workmanlike manner therefrom if so requested by the Lessor or the Lender at the Lessee's expense (i) any addition, modification or improvement which, as provided in Section 12.2 hereof, is owned by the Lessee and (ii) any insignia permitted pursuant to Section 6.2. Without in any way limiting the foregoing, each Rail Car shall be in a condition at least as good as such Rail Car would have been in had it been (i) maintained in accordance with all the terms and

conditions of this Lease and (ii) used during the entire Lease Term only for the transportation of high-fructose corn syrup, in the case of Corn Milling Cars, or crude and refined vegetable and animal oils and tallows, in the case of Oilseed Cars. For the purpose of delivering possession of any Rail Car or Cars as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, to the extent legally required by applicable law, rules or regulations to protect the Lessor's or the Lender's interest in the Rail Cars, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Rail Car or Cars have been interchanged or which may have possession thereof to return the Rail Car or Cars) place such Rail Cars upon such storage tracks as the Lessor reasonably may designate;

(b) cause such Rail Cars to be stored on such tracks at the risk of the Lessee without charge to the Lessor, the Lender, the Owner Participant or any other holder from time to time of any Note for insurance, rent or storage until all such Rail Cars have been sold, leased or otherwise disposed of by the Lessor; and

(c) cause the same to be transported to any reasonable place within the continental United States as directed by the Lessor or the Lender.

The assembling, delivery, storage, insurance and transporting of the Rail Cars as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Rail Cars. During any storage period, the Lessee will, at its own cost and expense, maintain and keep the Rail Cars in the manner set forth in Section 12.1 hereof, insure the Rail Cars in accordance with the provisions of Section 8.6 hereof and permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or other user of any Rail Car, to inspect the same. All amounts earned in respect of the Rail Cars after the date of termination of this Lease whether as a result of an Event of Default or otherwise shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Rail Car is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the per diem equivalent of

the Basic Rent then in effect immediately prior to such termination.

15.2. Lessor Appointed Agent of Lessee. Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Rail Car to the Lessor, to demand and take possession of such Rail Car in the name and on behalf of the Lessee from whoever shall be in possession of such Rail Car at the time.

SECTION 16. ASSIGNMENT, POSSESSION AND USE

16.1. Assignment; Consent; Security for the Lessor's Obligations to Holders of Notes. In order to secure the indebtedness evidenced by the Notes, the Loan and Security Agreement provides, among other things, for the assignment by the Lessor to the Lender of this Lease to the extent set forth therein and for the creation of a security interest in the Collateral referred to therein for the benefit of the Lender. The Lessee hereby consents to the assignment by the Lessor of the Lessor's right, title and interest in and to this Lease to the Lender pursuant to the terms of, and to the extent set forth in, the Loan and Security Agreement and agrees that, it will make all payments payable hereunder to the Lessor by wire transfer to Chase Manhattan Bank, N.A., New York, New York, ABA #0210-00021, for the account of Wilmington Trust Company, Account No. 9201-014363, Attention: Emma Budget, or at such place or to the attention of such person or department as the Lessor may specify from time to time in writing delivered to the Lessee not less than five Business Days prior to the due date of the payment to be made at the place specified in such writing for application by the Lessor in accordance with the Loan and Security Agreement. The Lessee acknowledges that such assignment and security interest provide for the exercise by the Lender (but, except as specified in the Loan and Security Agreement, not to the exclusion of the Lessor) of all rights of the Lessor hereunder (other than rights with respect to Excepted Rights in Collateral and as set forth in the Loan and Security Agreement) to give any consents, approvals, waivers, notices or the like, to make any elections, demands or the like or to take any other discretionary action hereunder and acknowledges receipt of an execution counterpart of the Loan and Security Agreement as in effect on the date hereof.

16.2. Lessee's Rights to Use the Rail Cars, to Permit Use Thereof by Others and to Sublease the Rail Cars. (i) So long as no Event of Default shall have occurred and be continuing hereunder, the Lessee shall be entitled to the possession and use of the Rail Cars in accordance with the terms of this Lease. The Lessee agrees to use or cause the Rail Cars to be used solely within the United States of America except that the Lessee may

use or cause the Rail Cars to be used in Mexico and Canada; provided that the Rail Cars must be used at all times (i) through and including January 1, 1995, such that not less than 80 percent of all income, deductions and credits attributable to such use will be treated as from U.S. sources (as defined in section 861 of the Code and applicable regulations thereto), and (ii) from and including January 2, 1995, through and including January 1, 1997, such that not less than 50 percent of all income, deductions and credits will be treated as from U.S. sources, as so defined. Notwithstanding anything contained in the preceding sentence to the contrary, the Lessee shall not use any of the Rail Cars in Canada unless Lessee shall have first (i) taken all necessary action to protect the right, title and interest of the Lessor and the Lender in the Rail Cars to be so used and (ii) furnished the Lessor and the Lender with appropriate evidence of the taking of such action and with an opinion of Canadian counsel satisfactory to the Lessor and the Lender to the effect that such action is all that is necessary to protect the right, title and interest of the Lessor and the Lender in such Rail Cars. The Lessee shall not assign or sublease its leasehold interest under this Lease in the Rail Cars or any of them except (a) as provided in paragraph (ii) below of this Section 16.2 and (b) pursuant to such arrangements and to such parties as shall be subject to the reasonable approval (evidenced by a written instrument) of both the Lessor and the Lender. The Lessee, at its own expense, will forthwith pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than Permitted Liens and Lessor's Liens) upon or with respect to any Rail Car (including any accession thereto), or the interest of the Lessor, the Owner Participant, the Lender or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises. Lessee shall not use any Rail Car, or permit any Rail Car to be used, for the transportation or storage of any substance which is categorized as, or required to be labeled as, "poison" or "poisonous", "explosive" or "radioactive" (or any categories or labels substituted for such categories or labels as in effect on the day hereof) under 49 CFR 171 or other applicable Federal rules in effect from time to time regulating the transportation of hazardous materials; provided that in all cases the Rail Cars shall be permitted to be used to transport corn alcohol.

(ii) So long as no Event of Default shall have occurred or be continuing hereunder, the Lessee shall be entitled to the possession and use of the Rail Cars upon lines of railroad owned or operated by it or upon lines of railroad over which the Lessee has trackage or other operating rights or over which railroad equipment of the Lessee is regularly operated pursuant to contract and shall be entitled to permit the use of the Rail Cars upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements and to assign its rights to the Rail Cars or to sublease the Rail Cars, but only upon and subject to all the terms and conditions of this

Lease, the Loan and Security Agreement, the Participation Agreement and the Tax Indemnity Agreement; provided, that without the Lessor's prior written consent (which shall not be unreasonably withheld), no such assignment or sublease (other than to a subsidiary of Lessee) shall involve more than a Lot of Rail Cars or be for a period in excess of one year, and provided Lessee's obligations hereunder shall continue in full force and effect as the obligations of a principal and not of a surety; and provided, further, that the Lessee shall not without the Lessor's prior written consent assign or sublease the Rail Cars to, or permit the assignment or sublease of the Rail Cars to, or permit the assignment or sublease of the Rail Cars by, any person (a) who shall then be in default with respect to the payments of money under any instrument evidencing indebtedness or with respect to any liability for borrowed money or for the deferred purchase price of property if the aggregate amount of all such indebtedness, liabilities and purchase prices under or with respect to which such person is then in default exceed 1/2% of such person's net worth or capital and surplus, or (b) who shall then be engaged in any proceedings for relief under any bankruptcy or insolvency law or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions of indebtedness. The Lessee may receive and retain compensation for the use of any of the Rail Cars from railroads or other entities so using such Rail Cars. Each sublease or assignment permitted by this paragraph shall (a) be expressly subject and subordinate to all of the provisions of this Lease and to the rights and remedies of the Lender under the Loan and Security Agreement and the Lessor under this Lease in respect of the Rail Cars covered by such sublease upon the occurrence of an Event of Default thereunder or hereunder, (b) shall expressly require the Rail Cars subject thereto to be returned as directed by the Lessor upon notice to such assignee or sublessee that an Event of Default shall have occurred and be continuing and (c) shall expressly prohibit any further sublease or assignment of the Rail Cars subject thereto. Lessee shall, within fifteen (15) days after the execution of any such sublease, deliver a conformed copy thereof to the Lessor and the Lender.

16.3. Transfers by Lessee Through Merger, Acquisition or Consolidation. Lessee shall not merge or consolidate with any other corporation or sell, lease or transfer or otherwise dispose of all or a substantial part of its assets unless (i) immediately after giving effect to the consummation of such transaction, no Default or Event of Default under the Lease shall have occurred and be continuing, and (ii) the surviving, resulting or transferee corporation (a) is a corporation duly organized and validly existing under the laws of any state of the United States or the District of Columbia, and (b) shall execute and deliver an agreement satisfactory in form and scope to the Lender and the Lessor whereby the transferee agrees to be bound by all the terms of, and assumes all of the Lessee's obligations under, each Operative Document to which the Lessee is or is to be a party,

and makes representations of the scope made by the Lessee in or pursuant to such Operative Documents. Prior to any merger, consolidation or transfer of assets hereunder, the Lessee shall give notice to the Lessor and the Lender specifying the name and address of the person with whom it is consolidating or merging or to whom it is transferring all or substantially all of its assets and such other additional information and opinions of counsel as may be required by the Lessor or the Lender to demonstrate compliance with this Section 16.3.

SECTION 17. RENEWAL OPTION; PURCHASE OPTION

17.1. Renewal for Successive Periods. Provided that this Lease has not been earlier terminated and that no Default or Event of Default shall have occurred and be continuing the Lessee may, by written notice delivered to the Lessor not less than 180 days prior to the end of the Basic Term or any renewal term of this Lease in respect of all of the Rail Cars still subject to this Lease, elect to renew this Lease for a period of one year from its then existing expiration date (each such period a "Renewal Term"). Lessee may make such elections up to five times. The amount of rentals ("Renewal Rent") (a) for each of the first two Renewal Terms shall be an amount equal to fifty percent (50%) of the average Basic Rent, expressed as a percentage of Purchase Price, of all Rail Cars subject to this Lease at the expiration of the Basic Term, and (b) for each of the next three Renewal Terms shall be an amount equal to the Fair Market Rental Value as of the end of the immediately preceding Renewal Term of the Lease, in each case payable in semiannual payments, in arrears, on each semiannual anniversary of the Basic Term in each year of such Renewal Term. In the event of any such renewal, the Casualty Value payable in respect of a Casualty Occurrence involving any Rail Car shall be determined by mutual consent of the Lessor and the Lessee, failing which, such Casualty Value shall be the Fair Market Value thereof immediately preceding such Casualty Occurrence (determined as provided below).

17.2. Purchase Option. (i) Provided this Lease has not been earlier terminated and that no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) has occurred and is continuing hereunder, then the Lessee may, by written notice delivered to the Lessor not less than 180 days prior to the fifteenth anniversary of the Primary Lease Term Commencement Date elect to purchase all of the Rail Cars then subject to this Lease in the amount specified below, at the higher of the Fair Market Sales Value of such Rail Cars or the Termination Value of such Rail Cars, both calculated as of the Rent payment date coinciding with the fifteenth anniversary of the Primary Lease Term Commencement Date payable on the fifteenth anniversary of the Primary Lease Term Commencement Date. Lessee's exercise of its purchase option under this clause (i), Section 17.2, shall be irrevocable.

(ii) Provided that this Lease has not been earlier terminated and that no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) has occurred and is continuing hereunder, and provided, further, that the Lessee has not notified the Lessor of its intention to renew this Lease as described in Section 17.1 hereof, then the Lessee may, by written notice delivered to the Lessor not less than 180 days prior to the end of the Basic Term or then current Renewal Term hereof, elect to purchase all of the Rail Cars then subject to this Lease in the amount specified below, at a purchase price equal to (a) in the case of a purchase at the end of the Basic Term the lesser of (1) an amount equal to 49.28% in respect of the Corn Milling Cars and 49.56% in respect of the Oilseed Cars of the Purchase Price of such Rail Cars, it being agreed by the Lessor and the Lessee (without any representation or warranty by either of them) that such amount is equal to a reasonable estimate of the Fair Market Value, estimated on the date hereof, based upon an outside independent appraisal, of such Rail Cars on the first day following the Basic Term, and the Lessor and the Lessee each agree that it does not have, and on the Delivery Date it will not have, a different opinion of such future value, or (2) the Fair Market Value of such Rail Cars on such day, payable on the last day of the Basic Term and (b) in the case of a purchase at the end of any Renewal Term an amount equal to the Fair Market Value of such Rail Cars on such day, payable on the last day of the Renewal Term. Lessee's exercise of its purchase option under this Section 17.2(ii) shall be irrevocable.

(iii) Provided that this Lease has not been earlier terminated and that no Default or Event of Default has occurred and is continuing hereunder, upon payment of the purchase price of any Rail Car pursuant to an exercise by the Lessee of its option to purchase such Rail Cars under this Section 17.2, the Lessor shall, upon request of the Lessee, execute and deliver to the Lessee, or the Lessee's assignee or nominee, a bill of sale for such Rail Cars such as will transfer to the Lessee on an as is, where is basis, title to such Rail Cars, free and clear of all Lessor's Liens, but without further representations or warranties.

17.3. Determination of Fair Market Rental Value and Fair Market Sales Value. (i) Fair Market Rental Value shall be determined for the Rail Cars on the basis of, and shall be equal in amount to, the value which would be obtained in an arm's length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to buy, sell or lease, for the lease of the Rail Cars pursuant to a lease having terms and conditions (other than rent and lease term) similar to the terms and conditions of this Lease.

(ii) Fair Market Sales Value shall be determined for the Rail Cars on the basis of, and shall be equal in amount to, the purchase price which would obtain in an arm's length transaction between an informed and willing purchaser (other than a dealer in used goods) and an informed and willing seller (other than a dealer) under no compulsion to purchase or sell on the assumption that the Rail Cars are in the condition required by Section 18 hereof, and, in such determination, cost of removal from the location of current use shall not be a deduction from such purchase price.

(iii) If, after 60 days from the giving of notice to the Lessor of the Lessee's election to renew the Lease subject to Section 17.1 or to purchase the Rail Cars pursuant to Sections 17.2(i) or 17.2(ii), the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Value of the Rail Cars, the Fair Market Value shall be determined in accordance with the foregoing definition by the following procedure: If either party to such determination shall have given written notice to the other requesting determination of such Fair Market Value by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 days after such notice is given, each party shall appoint an independent appraiser within 25 days after such notice is given, and the two appraisers so appointed shall within 25 days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 25 days after such notice is given, either party may apply to the American Arbitration Association to make such appointment, and both parties shall be bound by an appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Value of such Rail Cars within 55 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Value by the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such average shall be final and binding upon the parties hereto as the Fair Market Value. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Value and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any such judicial or other procedures. The expenses of the appraisal procedure shall be divided equally between the Lessee and the Lessor.

SECTION 18. RETURN OF RAIL CARS UPON EXPIRATION OF TERM

Upon the expiration of the Basic Term or any Renewal Term or any prior termination of this Lease for any reason except pursuant to Section 5.2 or Section 14 hereof, the Lessee shall return each Rail Car to the Lessor in the condition hereinafter provided, by causing all Rail Cars to be moved, at Lessee's expense, onto storage facilities in such States as to which Lessor shall specify in writing not less than 60 days prior to the expiration of the Lease Term. All Rail Cars must be moved onto such storage tracks or facilities within 60 days of the expiration of the Basic Term or then applicable Renewal Term of this Lease or a prior termination thereof; provided that if Lessor shall, prior to such expiration or termination, give Lessee notice of a date (after such expiration or termination and prior to 60 days thereafter) for storage in order that Lessor may deliver Rail Cars to a purchaser or lessee of all or any of the Rail Cars, then Lessee shall move such number of Rail Cars as are specified in such notice onto such tracks or facilities by the date specified in such notice. Lessee shall pay Lessor rent on all Rail Cars not moved onto such storage tracks or facilities at a rate per unstored Rail Car equal to the daily equivalent per Rail Car of the Basic Rent payable on the Basic Rent or Renewal Rent payment date immediately preceding the expiration of the Lease Term or the termination of the Lease, as the case may be, for each day thereafter that all Rail Cars are not on such storage tracks or facilities. Lessee shall use its best efforts to place the Rail Cars on storage tracks or facilities owned by Lessee and shall store the Rail Cars on such storage tracks or facilities without charge to Lessor. All storage fees payable for the first 60 days of storage on tracks or facilities not owned by the Lessee shall be paid directly by the Lessor, or shall be paid by the Lessee, and the Lessor shall then reimburse the Lessee for such fees (together with interest thereon accrued from the date or dates expended by the Lessee to the date of reimbursement at a rate of 9.45% per annum upon the earlier to occur of (i) the date that proceeds from the sale or lease of Rail Cars are available to the Lessor, but only to the extent of such proceeds, and (ii) the date 360 days after the first date by which all Rail Cars have been moved onto storage tracks or facilities. The Lessor shall advance to the Lessee any storage fees payable for storage after the first 60 days. Any Rail Cars not delivered in accordance with this Section 18 shall continue to be subject to all of the rights and duties of the parties set forth in this Lease. During any such storage period the Lessor will be responsible for any insurance in respect of the Rail Cars and the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Rail Car, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence, gross negligence or willful misconduct of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on

behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence during any storage period governed by this Section 18. Each Rail Car returned to the Lessor pursuant to this Section 18 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) meet the standards then in effect required for a third party purchaser or third party lessee immediately to operate such Rail Car without further inspection, repair, replacement, alterations or improvements (excluding third party peculiar requirements for compatibility with then existing third party products, equipment or facilities) under the Interchange Rules of the Association of American Railroads (and qualify for interchange service in accordance with such interchange rules) and/or the applicable rules of any government agency or other organization with jurisdiction, and (iii) have attached or affixed thereto any special device considered an accession thereto as provided in Section 12 hereof and have removed therefrom any such device not so considered an accession. Without in any way limiting the foregoing, each Rail Car shall be in a condition at least as good as such Rail Car would have been in had it been (i) maintained in accordance with all the terms and conditions of this Lease and (ii) used during the entire Lease Term only for the transportation of high-fructose corn syrup, in the case of Corn Milling Cars, or crude and refined vegetable and animal oils and tallows, in the case of Oilseed Cars. During any such storage period the Lessee shall maintain the Rail Cars in such manner as the Lessee normally maintains similar units of railroad equipment owned or leased by it in similar storage circumstances, but in any event in no less manner than is set forth in Section 12.1 hereof. The assembling, delivery, storage and transporting of the Rail Cars as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Rail Cars. All net amounts earned in respect of the Rail Cars after the expiration of the original term or any extended term hereof shall belong to the Lessor, and shall be paid over forthwith to the Lessor.

SECTION 19. RECORDING

The Lessee, at its own expense, will cause this Lease, the Loan and Security Agreement and all supplements to the Lease and to the Loan and Security Agreement to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303. The Lessee, at its own expense, will further cause this Lease and/or appropriate financing statements or continuation statements to be filed and recorded and, from time to time when required, refiled and rerecorded, in accordance with the applicable provisions of the Uniform Commercial Code as in effect in the State of Minnesota (and, if the Lessee changes its chief place of business, in any other state) in the same manner as if

the Lessor's interest in this Lease represented a security interest and in any other state of the United States of America or the District of Columbia where filing is necessary or reasonably requested by the Lessor or any holder from time to time of any Note for the purpose of proper protection, to the satisfaction of counsel of the Lessor and any holder from time to time of any Note, of their interests and rights under this Lease and the Loan and Security Agreement for the purpose of carrying out the intention of this Lease and the Loan and Security Agreement. The Lessee in addition will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor or any holder from time to time of any Note for the purpose of proper protection, to their satisfaction, of their respective interests in the Rail Cars, or for the purpose of carrying out the intention of this Lease and the Loan and Security Agreement (including without limitation any such filing, registry, depositing or recording required or deemed necessary by the Lessor or the Lender in connection with the Lessee's compliance with Section 12.2); and the Lessee will promptly furnish to the Lessor and each other holder from time to time of any Note which shall have requested the same evidence of all such filing, registering, depositing or recording, and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Lessor and each such holder of a Note. This Lease and the Loan and Security Agreement shall be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303 prior to the delivery and acceptance hereunder of any Rail Car.

SECTION 20. LESSOR'S RIGHT TO PERFORM FOR THE LESSEE

If the Lessee fails to perform or comply with any of its agreements contained herein, the Lessor may upon notice to the Lessee perform or comply with such agreement, and the amount of the reasonable costs and expenses of the Lessor incurred in connection with such performance or compliance, together with interest on such amount at a rate of 11.45% per annum, shall be payable by the Lessee upon demand except as otherwise provided in this Lease. No such performance or compliance by the Lessor shall be deemed a waiver of the rights and remedies of the Lessor or any assignee of the Lessor against the Lessee hereunder.

SECTION 21. NOTICES

Any notice required or permitted to be given by either party hereto to the other shall be in writing, and any such notice shall become effective upon personal delivery thereof 24 hours following delivery to or deposit with a recognized overnight delivery service or five days after the date on which it shall have been deposited in the United States mail with return receipt requested, addressed as follows:

(a) if to the Lessor, at

Wilmington Trust Company,
Rodney Square North
Wilmington, Delaware 19890
Attention: Corporate Trust Administration

with a copy to the Owner Participant at

State Street Bank and Trust Company
Leasing Department 4-M
225 Franklin Street
Boston, Massachusetts 02110

(b) if to the Lessee, at

Cargill, Incorporated
P.O. Box 9300
Minneapolis, Minnesota 55440
Attention: General Transportation Manager,
Corn Milling Division

in each case with a copy to the Lender at the address specified in the Participation Agreement, or addressed to any party at such other address as such party shall hereafter furnish to the other party and the Lender in writing.

SECTION 22. SEVERABILITY

Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, 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.

SECTION 23. EFFECT AND MODIFICATION OF LEASE

Except for the Participation Agreement and the Tax Indemnity Agreement referred to herein, this Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the leasing of the Rail Cars and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions and no amendment to Schedule 1 hereto shall be valid unless in writing and signed by duly authorized signatories for the Lessor and the Lessee.

SECTION 24. THIRD-PARTY BENEFICIARIES

Nothing in this Lease shall be deemed to create any right in any person not a party hereto (other than the Owner Participant and each holder from time to time of a Note and the

permitted successors and assigns of any such person and any party hereto) and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of a third party except as aforesaid.

SECTION 25. EXECUTION

This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument. To the extent, if any, that this Lease or any Lease Supplement constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), no security interest in this Lease or such Lease Supplement may be created through the transfer or possession of any counterpart of this Lease or such Lease Supplement other than the original counterpart which shall be identified as the counterpart containing the receipt therefor executed by the Lender on or immediately following the signature page hereof or thereof. Although for convenience this Lease is dated as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or date stated in the acknowledgments hereto annexed.

SECTION 26. LAW GOVERNING

The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Minnesota without regard to conflicts of law provisions; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303.

SECTION 27. IMMUNITIES; NO RECOURSE

No recourse shall be had in respect of any obligation due under this Lease, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto, whether by virtue of any constitutional provision, statute or rule of law, or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Lease.

SECTION 28. AGREEMENTS FOR BENEFIT OF LESSOR'S ASSIGNS

All rights of the Lessor hereunder (including, but not limited to, its rights under Sections 8, 10, 14, 15, 16 and 18 hereof and the right to receive the rentals payable under this Lease) shall inure to the benefit of the Lessor's assigns (including the Lender).

SECTION 29. TERM LESSOR

Whenever the term "Lessor" is used in this Lease it shall apply and refer to the Lessor and any assignee of the Lessor (including, so long as any indebtedness evidenced by the Notes or interest thereon shall remain unpaid or any other obligation thereunder be continuing, the Lender).

SECTION 30. LIABILITY OF LESSOR LIMITED

It is expressly agreed, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of the Lessor are made and intended not as personal representations, warranties, covenants, undertakings and agreements by Wilmington Trust Company, or for the purpose or with the intention of binding said trust company personally, but are made and intended for the purpose of binding only the Trust Estate, and this Lease is executed and delivered by said trust company not in its own right but solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and no personal liability or personal responsibility, except in the case of willful misconduct or gross negligence of Lessor (other than with respect to the handling of funds, in which case the Lessor shall be accountable for its failure to exercise ordinary care), is assumed by or shall at any time be asserted or enforceable against said trust company on account of this Lease or on account of any representation, warranty, covenant, undertaking or agreement of Lessor, either expressed or implied herein, all such personal liability, if any, being expressly waived and released by Lessee and by all persons claiming by, through or under it.

SECTION 31. ACTION BY WILMINGTON TRUST COMPANY

Any action of Wilmington Trust Company that (i) it purports to take in its capacity as Owner Trustee, (ii) is not taken pursuant to directions by the Owner Participant to the Owner Trustee, (iii) is not taken in accordance with the provisions of the Trust Agreement, and (iv) gives rise to a Lien on the Trust Estate which results from claims against the Owner Trustee unrelated to the Owner Trustee's ownership and mortgaging of the Rail Cars or the transactions contemplated by the Operative Documents shall be deemed to be action taken by Wilmington Trust Company in its individual capacity.

IN WITNESS WHEREOF, the Lessor and the Lessee have executed this Lease as of the day and year first above written.

WILMINGTON TRUST COMPANY, not individually (except as otherwise provided in the foregoing instrument), but solely in its capacity as Owner Trustee under the Trust Agreement

[Seal]

By Carolyn C. Daniels
Its Financial Services Officer

State of Delaware)
County of New Castle) ss.

On this 28th day of September, 1989, before me personally appeared Carolyn C. Daniels, to me personally known, who, being by me duly sworn, did say that he is a Financial Services Officer of Wilmington Trust Company that the seal affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed 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 the corporation.

Sharon M. Brander
Notary Public

My commission expires: 8-10-93

SCHEDULE I

Definitions

The following terms shall have the following meanings for all purposes of this Participation Agreement (as modified, amended or supplemented from time to time) and shall be equally applicable to both the singular and plural forms of the terms herein defined:

"Affiliate" of any Person means any other Person controlling, controlled by, or under common control with, such Person.

"Basic Rent" has the meaning specified in Section 4.1 of the Lease.

"Basic Term" means the period beginning on January 2, 1990, and ending on January 2, 2010.

"Basic Term Commencement Date" means January 2, 1990.

"Bill of Sale" means each bill of sale executed and delivered by the Lessee pursuant to Section 2(c) of the Participation Agreement substantially in the form of Exhibit B thereto.

"Business Day" means any day other than (i) a Saturday or Sunday, and (ii) a day on which state or national banking institutions are authorized or obligated by law to remain closed in the State of New York, Massachusetts, Delaware, New Jersey or Minnesota.

"Called Principal" means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 5.02, 5.04 or 5.05 of the Loan and Security Agreement or is declared to be immediately due and payable pursuant to Section 6.02 of the Loan and Security Agreement, as the context requires.

"Cancellation Factor" means the Cancellation Price Increase, if any, divided by the closing price of the Reference Treasury Note on September 8, 1989.

"Cancellation Price Increase" means the excess, if any, of the closing price, as determined by Lender, of the Reference Treasury Note on the date of cancellation or December 31, 1989, as the case may be, over the closing price of the Reference Treasury Note on September 8, 1989.

"Casualty Occurrence" with respect to any Rail Car means any of the following events: (i) such Rail Car shall be or become worn out, lost, stolen, destroyed, or, in the reasonable good faith opinion of the Lessee, irreparably damaged, from any cause whatsoever during the term of the Lease or any renewal term hereof or until such Rail Car is returned pursuant to Section 15 or Section 18 of the Lease, or (ii) such Rail Car shall have been returned permanently to the Manufacturer pursuant to any patent indemnity provisions of any agreement between the Manufacturer and the Lessee, or (iii) such Rail Car shall be permanently returned to the Manufacturer thereof due to a material breach of the Manufacturer's warranty (other than under the circumstances contemplated by the immediately preceding clause (ii)) contained in any agreement between the Manufacturer and the Lessee, or (iv) title to such Rail Car shall be taken by any governmental entity by condemnation or otherwise, or (v) use of such Rail Car shall be taken or requisitioned (a) by the United States Government (I) for a stated period which shall equal or exceed the then remaining term of the Lease or (II) for a period which has exceeded 12 months, or (b) by any other governmental entity (I) for a stated period which shall equal or exceed the then remaining term of the Lease or (II) for a period which has exceeded 270 consecutive days, or (vi) as a result of any rule, regulation, order or other action by the United States Government or any agency or instrumentality thereof, the use of such Rail Car in the normal course of transportation shall have been prohibited for a continuous period of six months, provided, however, that if any such prohibition shall be curable by action by Lessee using its best efforts, then, so long as the Lessee is diligently exercising such best efforts, such prohibition shall not constitute a Casualty Occurrence unless such use of the Rail Car has been prohibited for 12 consecutive months.

"Casualty Payment Date" means the forty-fifth day next succeeding the date of a Casualty Occurrence.

"Casualty Value" has the meaning specified in Section 8.4 of the Lease.

"Change in Tax Law" means, with respect to any Delivery Date, any change in federal income tax laws or regulations which (i) is enacted or promulgated on or after the date of execution and delivery of the Participation Agreement, (ii) is effective on such Delivery Date with respect to the Rail Cars and the transactions contemplated by the Operative Documents, (iii) as a result of such change, any one or more of the Tax Assumptions set forth in Section 1 of the Tax Indemnity Agreement are no longer correct as a matter of law, and (iv) as a result of such change, there is a decrease in the Net Economic Return of the Owner Participant.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" has the meaning specified in the Loan and Security Agreement.

"Corn Milling Cars" means Rail Cars originally leased for use by Lessee's Corn Milling Division as so identified on the relevant Lease Supplement.

"Default" means any act or occurrence which, with notice or lapse of time, or both, would constitute an Event of Default.

"Default Yield Maintenance Amount" shall mean, with respect to any Note, a premium equal to the excess, if any, of the Discounted Value of the Called Principal, discounted at the applicable Discount Rate, of such Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. The Default Yield Maintenance Amount shall in no event be less than zero.

"Delivery Date" means each date upon which Rail Cars are sold to the Owner Trustee in accordance with the Participation Agreement and leased to the Lessee pursuant to the Lease.

"Discount Rate" means (a) the Reinvestment Yield plus 0.75% in the case of a determination of Termination Yield Maintenance Amount, or (b) the Reinvestment Yield plus 1.15% in the case of a determination of Default Yield Maintenance Amount, or (c) in the case of a termination of the Lease pursuant to Section 14.1(ii) of the Lease during a Renewal Term, a percentage per annum equal to the yield on the date the Lease is so terminated of United States treasury obligations maturing on or about the last day of such Renewal Term in the case of a determination pursuant to Section 14.1(a)(I)(y) of the Lease.

"Discounted Value" means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on a semiannual basis) equal to the applicable Discount Rate.

"Equity Interest" means the Owner Participant's interest in the trust created by the Trust Agreement, including the right, title and interest of the Owner Participant in and to the Participation Agreement and the Trust Agreement and its beneficial interest in the Trust Estate.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Event of Default" has the meaning specified in Section 14.1 of the Lease.

"Excepted Rail Cars" as of any date means all Rail Cars which shall on such date be located in Canada or Mexico (provided that, if and for so long as the Lessee shall have satisfied the conditions set forth in the third sentence of clause (i) of Section 16.2 of the Lease to the unrestricted use of Rail Cars in Canada, the term "Excepted Cars" shall not include Rail Cars located in Canada).

"Excepted Rights in Collateral" has the meaning specified in clause E of the Granting Clause of the Loan and Security Agreement.

"Fair Market Rental Value" has the meaning specified in Section 17.3(i) of the Lease.

"Fair Market Sales Value" has the meaning specified in Section 17.3(ii) of the Lease.

"Fair Market Value" means Fair Market Rental Value or Fair Market Sales Value, or both, as the case may be.

"Indemnified Person" means the Owner Participant, the Lessor, Wilmington Trust Company, as Owner Trustee and in its individual capacity, each other holder from time to time of any Note (including, in the case of each of the foregoing, as to any such corporation, any corporation which is a member of the same affiliated group, as defined in Section 1504 of the Code, as such corporation), the Trust Estate and their respective agents, and the successors, assigns, Affiliates, agents, officers, directors and employees of any thereof.

"Installment Payment Date" has the meaning specified in Section 2.04(ii) of the Loan and Security Agreement.

"Interim Period Change in Tax Law" means, with respect to any Delivery Date, a Change in Tax Law enacted or promulgated after the date of execution and delivery of the Participation Agreement but on or before the Delivery Date.

"Interim Term" means, with respect of any Rail Car, the period commencing on the Delivery Date for such Rail Car and ending on January 1, 1990.

"Lease" means that certain Lease of Railroad Equipment dated as of September 15, 1989, between the Owner Trustee and the Lessee, in substantially the form of Exhibit C to the Participation Agreement, as originally executed or as modified, amended or supplemented in accordance with the applicable provisions thereof and of the Loan and Security Agreement. Unless the context otherwise requires, "Lease" shall include each Lease Supplement.

"Lease Supplement" means a supplement to the Lease, to be dated a Delivery Date and substantially in the form of

Exhibit A to the Lease, relating to the Rail Cars leased to the Lessee by the Owner Trustee as of such date, as originally executed or as modified, amended or supplemented in accordance with the applicable provisions of the Lease and of the Loan and Security Agreement.

"Lease Term" means, collectively, the Interim Term, the Basic Term and any and all Renewal Terms.

"Lender" means The Prudential Insurance Company of America and its successors and assigns.

"Lender's Instruments" means each Operative Document which is to be executed and delivered by the Lender, collectively.

"Lender's Percentage" means a percentage, not more than 80%, designated in the Lessee's Notice.

"Lessee's Instruments" means each Operative Document which is to be executed and delivered by the Lessee, collectively.

"Lessee's Notice" has the meaning specified in Section 2(b) of the Participation Agreement.

"Lessor's Lien" means any Lien which results from claims against the Lessor, as Owner Trustee or in its individual capacity, unrelated to the Lessor's ownership or mortgaging of the Rail Cars or the transactions contemplated by the Operative Documents.

"Liens" means liens, mortgages, encumbrances, pledges, charges and security interests or rights of any kind.

"Loan and Security Agreement" means that certain Loan and Security Agreement, dated as of September 15, 1989, between the Owner Trustee and the Lender, in substantially the form of Exhibit D to the Participation Agreement, as originally executed or as modified, amended or supplemented in accordance with the applicable provisions thereof. Unless the context otherwise requires, "Loan and Security Agreement" shall include each Loan and Security Agreement Supplement.

"Loan and Security Agreement Default" means any act or occurrence which, with notice or lapse of time, or both, would constitute a Loan and Security Agreement Event of Default.

"Loan and Security Agreement Event of Default" has the meaning specified in Section 6.01 of the Loan and Security Agreement.

"Loan and Security Agreement Supplement" means a supplement to the Loan and Security Agreement, to be dated a

Delivery Date and substantially in the form of Exhibit A to the Loan and Security Agreement, relating to the Rail Cars purchased by the Owner Trustee on such Delivery Date and with respect to which the Lender shall have purchased Notes of the Owner Trustee hereunder, as originally executed or as modified, amended or supplemented in accordance with the applicable provisions of the Loan and Security Agreement.

"Lot" means that number of Rail Cars designated by the Lessee that is (i) not fewer than 50 Rail Cars and (ii) not greater than the number equal to, at Lessee's option, either (a) the number of Rail Cars being leased hereunder at the expiration of the original term of the Lease or (b) 50 Rail Cars fewer than the number of Rail Cars being leased hereunder at the expiration of the original term of the Lease; provided, that if fewer than 50 Rail Cars shall be leased hereunder at the expiration of the original term of the Lease, then "Lot" shall mean that number of Rail Cars.

"Majority in Interest of Note Holders" means, as of a particular date of determination, the holder or holders of at least two-thirds in aggregate principal amount of all Notes

"Manufacturers" means Trinity Industries, Inc., Union Tank Car Co., and each manufacturer of a Replacement Rail Car.

"Manufacturer's Bill of Sale" means each bill of sale by which a Manufacturer conveys title to a Rail Car to the Lessee.

"Net Economic Return" means the Owner Participant's net after-tax yield (computed using the multiple investment sinking fund method) and aggregate after-tax cash flow with respect to its investment in the Rail Cars, or any particular Rail Car, determined on the basis of the Tax Assumptions.

"Note" means and "Notes" mean all of the notes of the Owner Trustee, substantially in the form thereof set forth in Exhibit B to the Loan and Security Agreement, originally issued to the Lender pursuant to Section 2.04 of the Loan and Security Agreement in the aggregate principal amount determined pursuant to the Participation Agreement, and maturing and bearing interest and secured as provided in said form, and as otherwise provided in the Loan and Security Agreement, and any note issued pursuant thereto in replacement or exchange for any Note previously issued pursuant thereto.

"Officer's Certificate" with respect to any person other than the Lessee and Lessor, means a certificate executed on behalf of such person by its President or one of its Vice Presidents or Assistant Vice Presidents or its Treasurer. With respect to the Lessee only, "Officer's Certificate" means a certificate executed on behalf of the Lessee by a corporate officer thereof who shall be the President, a Vice President or the Controller of its Corn Milling Division or a Vice President

of its Oilseed Processing Group. With respect to the Lessor only, "Officer's Certificate" means a certificate executed on behalf of the Lessor by a corporate officer thereof who shall be the President, a Vice President, the Treasurer or a Financial Services Officer of said Lessor.

"Oilseed Cars" means Rail Cars originally leased for use by Lessee's Oilseed Processing Group as so identified in the relevant Lease Supplement.

"Operative Documents" means the Participation Agreement, the Trust Agreement, the Loan and Security Agreement, the Lease, the Tax Indemnity Agreement, the Notes, the Bills of Sale, and the Lease Supplement and Loan and Security Agreement Supplement, collectively.

"Owner Participant" means State Street Bank and Trust Company, a Massachusetts trust company, and its permitted successors and assigns under the Trust Agreement and Section 10 of the Participation Agreement.

"Owner Participant's Instruments" means each Operative Document which is to be executed and delivered by the Owner Participant, collectively.

"Owner Trustee" means Wilmington Trust Company, a Delaware banking corporation.

"Owner Trustee Office" means the principal corporate trust office of the entity then serving as Owner Trustee, which, in the case of Wilmington Trust Company, until notice of a change of address of such office is given by such entity, shall be at Rodney Square North, Wilmington, Delaware 19890, Attention: Corporate Trust Administration.

"Owner Trustee's Instruments" means each Operative Document which is to be executed and delivered by the Owner Trustee, collectively.

"Owner's Percentage" for any Delivery Date means a percentage, not less than 20% designated in the Lessee's Notice.

"Participation Agreement" means the Participation Agreement dated as of September 15, 1989, among Lessee, Lender, Owner Participant and Owner Trustee, as the Participation Agreement shall have been originally executed or as modified, amended or supplemented in accordance with the applicable provisions thereof.

"Permitted Investment" means (i) certificates of deposit and time and other interest bearing deposits in banks which are members of the Federal Reserve System having a net worth of not less than \$125,000,000; (ii) short-term debt securities issued by

or entitled to the full faith and credit of the United States Government; (iii) bank repurchase agreements with banks described in clause (i) of this definition which are fully collateralized by securities described in clause (ii) of this definition; or (iv) commercial paper which is rated "A-1" or better (or comparable ratings) by Standard & Poor's Corporation or "P-1" or better (or comparable ratings) by Moody's Investors Service, Inc. or the successors to such rating organizations, in each case referred to in the foregoing clauses (i) through (iv) due within 210 days of the date of purchase.

"Permitted Liens" means (i) Liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of Lessee's business and in each case not delinquent, and (ii) the lien of the Lease and the Loan and Security Agreement.

"Persons" or "person" means any individual, partnership, corporation, trust, unincorporated association or joint venture, a government or any department or agency thereof, or any other entity.

"Plan" means an employee benefit plan as defined in Section 3(3) of ERISA.

"Primary Adjustments" has the meaning specified in Section 2(d)(i) of the Participation Agreement.

"Primary Lease Term Commencement Date" means the first Delivery Date.

"Proposed Change in Tax Law" means, with respect to any Delivery Date, either (i) a notice of proposed rule making issued by the United States Treasury Department after the date of execution and delivery of the Participation Agreement but on or before the Delivery Date ("Proposed Regulations") or (ii) any bill introduced or enacted after the date of execution and delivery of the Participation Agreement but on or before the Delivery Date ("Proposed Bill"), and which Proposed Regulations or Proposed Bill, if promulgated or enacted on or before the Delivery Date, would have constituted a Change in Tax Law.

"Purchase Price" for each Rail Car means the sum of (a) the price paid to the Manufacturer for the purchase of such Rail Car, and (b) all delivery charges paid in respect of such Rail Car, all as set forth in the applicable Lease Supplement.

"Rail Car" means each of the 287 rail tank cars, more specifically described in Exhibit A, as amended, to the Participation Agreement, which shall be purchased by the Owner Trustee in accordance with the Participation Agreement and leased to the Lessee pursuant to the Lease and one or more Lease

Supplements, together with related appurtenances, additions, improvements, equipment and replacements thereto.

"Reference Treasury Note" means the Treasury Note or Notes in the principal amount of \$100 by reference to which the Treasury Rate was determined in fixing the interest rate on the Notes.

"Register" has the meaning specified in Section 2.06(i) of the Loan and Security Agreement.

"Reinvestment Yield" means, with respect to the Called Principal of any Note, the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City time) on the Business Day next preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page 678" on the Telerate Service (or such other display as may replace Page 678 on the Telerate Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, (ii) the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between reported yields.

"Remaining Average Life" means, with respect to the Called Principal of any Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date.

"Renewal Rent" has the meaning specified in Section 17.1 of the Lease.

"Renewal Term" has the meaning specified in Section 17.1 of the Lease.

"Rent" means collectively, Basic Rent, Renewal Rent and Supplemental Rent.

"Secondary Adjustments" has the meaning specified in Section 2(d)(ii) of the Participation Agreement.

"Settlement Date" means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Sections 5.02, 5.04 or 5.05 of the Loan and Security Agreement or is declared to be immediately due and payable pursuant to Section 6.02 of the Loan and Security Agreement, as the context requires.

"Significant Subsidiary" means as of any date any Subsidiary of Lessee that is organized under the laws of any state of the United States, the District of Columbia or any province of Canada and (i) the assets of which constituted 10% or more of the consolidated assets of the Lessee and its Subsidiaries as reflected on Lessee's consolidated financial statements for the then most recently ended fiscal year, prepared in accordance with generally accepted accounting principles consistently applied or (ii) which contributed 10% or more of the consolidated net earnings of the Lessee and its Subsidiaries as reflected on Lessee's consolidated financial statements for the most recently ended fiscal year, prepared in accordance with generally accepted accounting principles consistently applied.

"Subsidiaries" means such direct or indirect subsidiaries of Lessee as are included in its consolidated financial statements prepared in accordance with generally accepted accounting principles consistently applied.

"Supplemental Rent" means any and all amounts, liabilities and obligations (other than Basic Rent) which the Lessee assumes or agrees to pay to any Person under the Lease or under any other Operative Document, including, without limitation and without duplication, payments of Renewal Rent, Casualty Value and Termination Value and amounts measured by reference thereto and payments pursuant to the Tax Indemnity Agreement.

"Tax Assumptions" has the meaning specified in the Tax Indemnity Agreement.

"Tax Indemnity Agreement" means that certain Tax Indemnity Agreement, dated as of September 15, 1989, between the Owner Participant and the Lessee, as originally executed or as modified, amended or supplemented in accordance with the applicable provisions thereof.

"Tax Rate" has the meaning specified in the Tax Indemnity Agreement.

"Terminated Rail Cars" has the meaning specified in Section 8.8 of the Lease.

"Termination" has the meaning specified in Section 8.8 of the Lease.

"Termination Date" with respect to any Rail Car means a date on which an installment of Basic Rent is due and which has been specified by the Lessee pursuant to Section 8.8 of the Lease, as the date of Termination with respect to such Rail Car.

"Termination Value" with respect to any Rail Car means an amount equal to the specified percentage set forth in the schedule appended to the applicable Lease Supplement, subject to adjustment as provided in Section 4.4 of the Lease, for the Termination Date with respect to any Rail Car multiplied by the Purchase Price of such Rail Car, plus in the event of a Termination pursuant to Section 8.8 of the Lease, or purchase of the Rail Cars pursuant to Section 17.2 of the Lease, an amount equal to the Termination Yield Maintenance Amount payable pursuant to Section 5.02 of the Loan and Security Agreement on such Termination Date in respect of the Notes to be prepaid by the Lessor on such Termination Date.

"Termination Yield Maintenance Amount" shall mean, with respect to any Note, a premium equal to the excess, if any, of the Discounted Value of the Called Principal, discounted at the applicable rate, of such Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. The Termination Yield Maintenance Amount shall in no event be less than zero.

"Trust Agreement" means the Trust Agreement, dated as of September 15, 1989, between the Owner Participant and Wilmington Trust Company, in substantially the form of Exhibit F to the Participation Agreement as originally executed or as modified, amended or supplemented in accordance with the applicable provisions thereof and of the Loan and Security Agreement.

"Trust Estate" means the Rail Car, contract rights and other property held or owned by the Owner Trustee in accordance with the Trust Agreement.

"Yield Maintenance Amount" means collectively, Default Yield Maintenance Amount and Termination Yield Maintenance Amount.

Exhibit A

LEASE SUPPLEMENT NO.

Delivery Date:

THIS LEASE SUPPLEMENT is executed and delivered to Wilmington Trust Company, a Delaware banking corporation, not individually but solely as trustee under that certain Trust Agreement, dated as of September 15, 1989, between State Street Bank and Trust Company and said trustee (the "Lessor"), by CARGILL, INCORPORATED, a Delaware corporation (the "Lessee"), pursuant to and in accordance with the Lease of Railroad Equipment dated as of September 15, 1989, between Lessor and Lessee (the "Lease"). Unless otherwise defined herein, capitalized terms in this Lease Supplement are used with the respective meanings specified in Schedule I to the Lease.

1. The Rail Cars covered by this Supplement consist of the items described in Schedule 1 attached hereto.
2. Lessee confirms that the Rail Cars covered hereby have been delivered to it in good working order and condition, and have been inspected and accepted by Lessee as of the Delivery Date set forth above.
3. The Purchase Price of each of the Rail Cars covered hereby is set forth in Schedule 1 attached hereto and the aggregate Purchase Price for such Rail Cars is \$
4. The percentages of Basic Rent, Casualty Value and Termination Value for the Rail Cars covered by this Lease Supplement are set forth, respectively, in Schedules 2, 3 and 4 hereto.
5. Lessee hereby: (a) confirms that the Rail Cars covered hereby are of the size, design, capacity and manufacture selected by it and meet the provisions of the applicable purchase agreement with the Manufacturer with respect thereto; (b) confirms that the Rail Cars have been or prior to the Basic Term Commencement Date, but in any event prior to any Rail Car leaving the respective Manufacturer's Facilities, will be marked in accordance with all of the provisions of Section 6.1 of the Lease; (c) confirms that the Rail Cars appear to conform to the modifications, requirements and standards applicable thereto as provided in the Lease; and (d) irrevocably accepts said Rail Cars "as-is, where-is" for all purposes of the Lease as of the Delivery Date as set forth above.
6. By the execution and delivery of this Supplement by Lessee, and the acceptance thereof by Lessor, Lessee and Lessor reaffirm all of the terms, provisions and conditions of the Lease.

Accepted as of the Delivery Date set forth above:

WILMINGTON TRUST COMPANY, not individually (except as otherwise provided in the Lease), but solely as Owner Trustee under the Trust Agreement

[Seal]

By _____
Its _____

State of)
County of) ss.

On this ____ day of _____ before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is a _____ of Wilmington Trust Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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:

SCHEDULE 1 TO LEASE
SUPPLEMENT NO.

Description of Rail Cars

<u>Descriptions and Quantity</u>	<u>Manufacturer</u>	<u>Lessee's Identifi- cation Nos.</u>	<u>AAR Mechanical Description</u>	<u>DOT speci- fications</u>	<u>Specifica- tions</u>	<u>Purchase Price</u>
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SCHEDULE 2 TO LEASE
SUPPLEMENT NO.

Basic Rent Percentages

Rental Payment Date

Percentages of
Purchase Price

SCHEDULE 3 TO LEASE
SUPPLEMENT NO.

Casualty Value Schedule

Date

Casualty Value

SCHEDULE 4 TO LEASE
SUPPLEMENT NO.

Termination Values Schedule

Date

Termination Value