

ASSIGNMENT AND ASSUMPTION OF AND
FOURTH AMENDMENT TO GROUND LEASE



THE STATE OF TEXAS §
COUNTY OF BRAZORIA §

This AGREEMENT made and entered into by and among BRAZOS RIVER HARBOR NAVIGATION DISTRICT of Brazoria County, Texas, a conservation and reclamation district, a body politic, and a corporate and governmental agency of the State of Texas (herein called "Lessor"); AMERICAN RICE, INC., an agricultural cooperative marketing association organized under the laws of the State of Texas (herein called "Assignor"); and SUCCESSOR AMERICAN RICE, INC., a corporation organized under the laws of the State of Texas (herein called "Assignee"),

W I T N E S S E T H:

WHEREAS, Lessor, as lessor, and Assignor, as lessee, made and entered into that certain Ground Lease and Definitive Agreement Regarding Port Facilities dated as of June 6, 1985 (herein called the "Original Lease"), a Memorandum of which is recorded in Volume 154, Page 298 of the Official Public Records of Real Property of Brazoria County, Texas; and

WHEREAS, the Original Lease was amended by that certain First Amendment to Ground Lease and Definitive Agreement Regarding Port Facilities dated as of June 6, 1985, by and between Lessor and Assignor, a Memorandum of which is recorded in Volume 221, Page 41 of the Official Public Records of Real Property of Brazoria County, Texas; and

WHEREAS, the Original Lease was further amended by that certain Second Amendment to Ground Lease and Definitive Agreement Regarding Port Facilities dated as of December 24, 1986, by and between Lessor and Assignor, a Memorandum of which is recorded in Volume 363, Page 356 of the Official Public Records of Real Property of Brazoria County, Texas; and

WHEREAS, the Original Lease was further amended by that certain Third Amendment to Ground Lease and Definitive Agreement Regarding Port Facilities dated as of January 14, 1988, by and between Lessor and Assignor, a Memorandum of which is recorded in Volume 533, Page 233 of the Official Public Records of Real Property of Brazoria County, Texas; and

WHEREAS, the Original Lease, as so amended (herein called the "Lease") provides, in Section 13.2 thereof, that Lessee shall have the right freely to assign Lessee's interest in the leasehold estate created thereby, without further liabilities or obligations accruing thereunder after such assignment is made by Lessee, subject to certain terms and conditions set forth therein and provided Lessor's written consent to such assignment shall have been obtained, which consent shall not be unreasonably withheld or delayed; and

WHEREAS, Assignor desires to assign its leasehold estate in and to the Lease to Assignee, and Lessor wishes to accept Assignee as Lessee under the Lease upon the terms and conditions hereinafter set forth and to relieve and release Assignor from any liability for the payment of rentals and other sums provided for under the Lease and the performance of any and all obligations imposed upon Lessee thereunder;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

1. THAT Assignor, for value paid and agreed to be paid as hereinafter stated by Assignee, has SOLD, ASSIGNED and TRANSFERRED, and by these presents does SELL, ASSIGN and TRANSFER unto Assignee, the entire leasehold estate (together with all options, rights and interests in favor of the "Lessee") created and existing by virtue of the Lease.

The consideration for this assignment has been paid by Assignee to Assignor and has been agreed to be paid by Assignee as follows:

(a) The sum of Ten Dollars (\$10.00) and other good and valuable consideration has this day been paid in cash to Assignor by Assignee, the receipt of which is hereby acknowledged and confessed.

(b) The remaining portion of the consideration for this assignment is represented by (i) the assumption, agreement and promise by Assignee to pay all "Indebtedness" (as defined in the hereinafter described "Deed of Trust"), including, without limitation, (x) the unpaid balance of principal and interest due and owing and to become due and owing on that certain promissory note dated December 1, 1985, made by Assignor, payable to the order of Brazos Harbor Industrial Development Corporation, in the original principal amount of Thirteen Million Three Hundred Thousand and No/100 Dollars (\$13,300,000.00), bearing interest at the rate and being repayable as set forth therein, and finally maturing on December 1, 2025, and (y) all amounts due or to become due by Assignor under that certain Letter of Credit and Reimbursement Agreement dated as of December 1, 1985, by and between Assignor and Rabobank Nederland; said "Indebtedness" being secured by that certain Deed of Trust, Security Agreement, Assignment of Rents and Financing Statement dated as of December 1, 1985 (herein called the "Deed of Trust"), from Assignor, to Jan E. van Panhuys, Trustee, for the equal and ratable benefit of Brazos Harbor Industrial Development Corporation and Rabobank Nederland, recorded in Volume 221, Page 48 of the Official Public Records of Real Property of Brazoria County, Texas, to which instruments reference is here made for all purposes; and (ii) the covenant and agreement by Assignee to

keep and perform all the obligations of the Grantor in the Deed of Trust, which covenant and agreement shall be for the benefit of such Grantor and the beneficiaries under the Deed of Trust.

TO HAVE AND TO HOLD said leasehold estate and options, rights and interests unto Assignee, its successors and assigns, during the rest, residue and remainder of the term of the Lease and any and all renewals thereof, subject to all of the terms, covenants and conditions thereof and to the liens securing the payment of said Indebtedness.

2. Lessor hereby consents to the assignment of the Lease from Assignor to Assignee and Lessor agrees to look solely to Assignee for the payment of all rentals and other sums provided for under the Lease and the performance of all obligations imposed upon Lessee thereunder, and Lessor does hereby expressly agree that Assignor shall be and is hereby relieved and released from any liability for the payment of rentals and other sums provided for under the Lease and the performance of any and all obligations imposed upon Lessee thereunder. Assignee hereby expressly assumes and agrees to pay all rentals and other sums provided to be paid by Lessee under the Lease and perform all of the other obligations of Lessee under the Lease and agrees to be bound by all of the terms, conditions and covenants by which Lessee is bound under the Lease.

3. So as to effectuate the assignment herein made, the first sentence of page 1 of the Lease is hereby amended to read as follows:

"THIS GROUND LEASE AND DEFINITIVE AGREEMENT REGARDING PORT FACILITIES (herein called the "Lease") made and entered into as of the 6th day of June, 1985, by and between BRAZOS RIVER HARBOR NAVIGATION DISTRICT of Brazoria County, Texas, a conservation and

reclamation district, a body politic, and a corporate and governmental agency of the State of Texas (herein called "Lessor") and SUCCESSOR AMERICAN RICE, INC., a corporation organized under the laws of the State of Texas (herein called "Lessee"); "Further, Section 27.1 of the Lease is hereby amended so as to provide that the address of Lessee, for purposes of notice thereunder, until changed as therein provided, shall be as follows:

Successor American Rice, Inc.
Greenspoint II
16825 Northchase Drive
Suite 1500
Houston, Texas 77060
Attention: Chief Executive Officer

With copy to:

Fulbright & Jaworski
1301 McKinney
Houston, Texas 77010

Attention: Michael P. Irvin

4. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns.

5. Except as modified and amended hereby, the Lease shall continue in full force and effect and Lessor and Assignee ratify and confirm the Lease as modified or amended hereby.

IN WITNESS WHEREOF, the parties have executed this Agreement in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one and the same instrument, as of the 29th day of April, 1988.

ATTEST:

BRAZOS RIVER HARBOR NAVIGATION
DISTRICT OF BRAZORIA COUNTY, TEXAS

By B. L. Tanner
B. L. Tanner, Secretary
Board of Navigation and
Canal Commission

By Robert W. McAda, Jr.
Robert W. McAda, Jr.,
Chairman, Board of Navigation
and Canal Commission

"LESSOR"

[SIGNATURES CONTINUED
ON PAGE 6]

ATTEST: -

AMERICAN RICE, INC.

By *Robert S. Champion*
ROBERT S. Champion, Secretary
Secretary

By *Larry Dylla*
Name: Larry Dylla
Title: Group V.P. Finance/Administration & Treasurer

"ASSIGNOR"

ATTEST:

SUCCESSOR AMERICAN RICE, INC.

By *Robert S. Champion*
ROBERT S. Champion, Secretary
Secretary

By *Larry Dylla*
Name: Larry Dylla
Title: Group V.P. Finance/Administration & Treasurer

"ASSIGNEE"

Assignee's mailing address is:

Greenspoint II
16825 Northchase Drive
Suite 1500
Houston, Texas 77060

THE STATE OF TEXAS §
COUNTY OF BRAZORIA §

This instrument was acknowledged before me on the 2nd day of April, 1988, by Robert W. McAda, Jr., Chairman, Board of Navigation and Canal Commission of BRAZOS RIVER HARBOR NAVIGATION DISTRICT, a conservation and reclamation district, a body politic, and a corporate and governmental agency of the State of Texas, on behalf of said district.

Ann Baker
Notary Public in and for
the State of Texas

My Commission Expires:
10-10-89

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 2 day of May, 1988, by Larry Dylla, Group V.P. Finance/Administration & Treasurer of AMERICAN RICE, INC., an agricultural cooperative marketing association, on behalf of said association.

Teresa Crawford
Notary Public in and for
the State of Texas

 TERESA CRAWFORD
Notary Public, State of Texas
My Commission Expires 2-14-91

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on
the 2 day of May, 1988, by Larry Dylla
Group V.P. Finance Administration & Treasurer of SUCCESSOR AMERICAN RICE, INC., a Texas
corporation, on behalf of said corporation.



TERESA CRAWFORD
Notary Public, State of Texas
My Commission Expires 2-14-91
My Commission Expires:
2-14-91

Teresa Crawford
Notary Public in and for
the State of Texas