



RECORDATION NO. 21152 FILED

JAN 14 '98

11-42AM

NorRail[®], Inc.
Buying, Selling, Leasing
And Management of Railcars

308 12th Avenue South, Buffalo, Minnesota 55313 • Phone: (612) 557-0215 • Fax: (612) 682-2452

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K. Street NW, Suite 700
Washington, D.C. 20423

January 12, 1998

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two originals of Memorandum of Railcar Lease Agreement dated as of August 26, 1997, a primary document as defined in the Board's Rules for Recordation of Documents.

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

Lessor: NorRail, Inc.
308 - 12th Avenue South
Buffalo, MN 55313
Phone: 612-557-0215

Lessee: Farmland Industries, Inc.
3315 North Oak Trafficway
Kansas City, MO 64116
Phone: 816-459-6585

The Memorandum of Railcar Lease Agreement covers one hundred sixty-seven (167) Covered Hoppers identified in Exhibit A to the Memorandum of Railcar Lease Agreement. Enclosed is our check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one stamped copy of the enclosed document to the undersigned. If you have any questions or require any further information in connection with this filing, please contact the undersigned at 612-557-0215.

Very truly yours,


Bradley C. Gunstad
Vice President & General Counsel
Enclosures

FORMS/STB

MEMORANDUM OF RAILCAR LEASE AGREEMENT

MEMORANDUM NO. 21152 FILED

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THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of September 30, 1997 by and between NorRail, Inc., a Minnesota Corporation ("Lessor") and Farmland Industries Inc., a Kansas Corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor various railcars pursuant to one or more Schedules to the Lease to be entered into by Lessor and Lessee from time to time, all as more particularly described in that certain Railcar Service and Lease Agreement No. 1750 dated September 30, 1997 between Lessor and Lessee (hereinafter referred to as the "Lease").
2. Pursuant to Schedule No. 1 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor the 167 covered hopper railcars bearing the reporting marks and road numbers indicated on Exhibit A hereto, all as more particularly described in the Lease.
3. The Lease shall be effective as of the execution date thereof and shall be subject to the term of the Lease, as provided therein.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Railcar Lease Agreement to be executed as of the date first above written.

Lessor: NORRAIL INC.
 By: [Signature]
 Its: President
 By: Russell J. Helms
 Its: Vice President

Lessee: FARMLAND INDUSTRIES INC.
 By: [Signature]
 Its: Director, Rail Transportation

**EXHIBIT A TO
MEMORANDUM OF RAILCAR LEASE AGREEMENT**

NRLX047188	NRLX047662	NRLX047719	NRLX047773
NRLX047189	NRLX047663	NRLX047720	NRLX047774
NRLX047223	NRLX047664	NRLX047722	NRLX047775
NRLX047224	NRLX047666	NRLX047724	NRLX047777
NRLX047225	NRLX047667	NRLX047725	NRLX047778
NRLX047268	NRLX047669	NRLX047727	NRLX047779
NRLX047274	NRLX047670	NRLX047728	NRLX047780
NRLX047289	NRLX047671	NRLX047729	NRLX047781
NRLX047600	NRLX047672	NRLX047730	NRLX047785
NRLX047601	NRLX047673	NRLX047733	NRLX047786
NRLX047602	NRLX047674	NRLX047734	NRLX047787
NRLX047603	NRLX047675	NRLX047735	NRLX047789
NRLX047609	NRLX047676	NRLX047737	NRLX047790
NRLX047617	NRLX047677	NRLX047738	NRLX047791
NRLX047621	NRLX047678	NRLX047739	NRLX047792
NRLX047622	NRLX047679	NRLX047740	NRLX047794
NRLX047624	NRLX047680	NRLX047741	NRLX047795
NRLX047625	NRLX047681	NRLX047743	NRLX047796
NRLX047628	NRLX047684	NRLX047745	NRLX047797
NRLX047629	NRLX047685	NRLX047746	NRLX047798
NRLX047630	NRLX047686	NRLX047747	NRLX047799
NRLX047631	NRLX047688	NRLX047748	NRLX047800
NRLX047634	NRLX047689	NRLX047749	NRLX047801
NRLX047636	NRLX047690	NRLX047750	NRLX047802
NRLX047638	NRLX047691	NRLX047751	NRLX047803
NRLX047641	NRLX047692	NRLX047752	NRLX047804
NRLX047642	NRLX047693	NRLX047753	NRLX047805
NRLX047643	NRLX047697	NRLX047754	NRLX047806
NRLX047644	NRLX047698	NRLX047755	NRLX047807
NRLX047645	NRLX047700	NRLX047756	NRLX047809
NRLX047646	NRLX047701	NRLX047758	NRLX047810
NRLX047647	NRLX047702	NRLX047760	NRLX047811
NRLX047648	NRLX047707	NRLX047761	NRLX047812
NRLX047649	NRLX047708	NRLX047762	NRLX047813
NRLX047650	NRLX047709	NRLX047763	NRLX047814
NRLX047651	NRLX047710	NRLX047764	NRLX047815
NRLX047652	NRLX047711	NRLX047765	NRLX047817
NRLX047654	NRLX047712	NRLX047767	NRLX047818
NRLX047655	NRLX047714	NRLX047769	NRLX047819
NRLX047656	NRLX047715	NRLX047770	NRLX047820
NRLX047658	NRLX047716	NRLX047771	
NRLX047659	NRLX047718	NRLX047772	
NRLX047660			

MISSOURI
STATE OF ~~KANSAS~~, COUNTY OF CLAY TO WIT:

On this 3rd day of ^{October}~~September~~, 1997 before me personally appeared, Lynn S. Beecher, to me personally known, who being by me duly sworn, stated that he is the Director, Rail Transportation, of Farmland Industries Inc., a Kansas Corporation, that he signed the foregoing Memorandum of Lease Agreement on behalf of said corporation and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)

Linda L. Minthorn

Notary Public

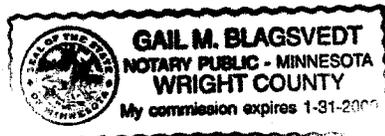
My commission expires: _____

LINDA L. MINTHORN
Notary Public - State of Missouri
Commissioned in Clay County
My Commission Expires Feb. 5, 2001

STATE OF MINNESOTA, COUNTY OF WRIGHT TO WIT:

On this 30th day of September, 1997 before me personally appeared, Robert D. Johnson and Russell S. Blum, to me personally known, who being by me duly sworn, says that they are the President and Vice President, respectively of NorRail, Inc. a Minnesota Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)



Gail M. Blagsvedt
Notary Public

My commission expires: 1-31-2000