

KANSAS CITY SOUTHERN INDUSTRIES, INC.

114 WEST ELEVENTH STREET
KANSAS CITY, MISSOURI 64105-1804

RICHARD P. BRUENING
VICE PRESIDENT
AND GENERAL COUNSEL

PHILLIP S. BROWN
VICE PRESIDENT
GOVERNMENTAL AFFAIRS

(816) 556-0410

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ROBERT K. DREILING
JOHN J. CONNOR
JAY M. NADLMAN
GENERAL ATTORNEYS

3-103A005

March 17, 1993

RECORDATION NO.

18198

FILED 1425

APR 13 1993 10:40 AM

INTERSTATE COMMERCE COMMISSION

Honorable Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue
Washington, D.C. 20423

Dear Mr. Strickland:

I have enclosed a certified copy and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Lease, a document dated December 22, 1992.

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

- (1) Lessor, (Carland, Inc., 1055 Broadway, Suite 990 Kansas City, MO 64105-1599)
- (2) Lessee, (MidSouth Corporation, Post Office Box 1232, Jackson, MS 39215-1232).

A description of the equipment covered by the document follows:

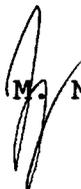
One hundred and Eighty-Three (183) 73 foot, 100 ton center beam bulkhead flatcars built by Gunderson, Inc.

MSRC 6000 through 6043, inclusive
MSRC 6045 through 6049, inclusive
WCRC 2050 through 2069, inclusive
WCRC 2300 through 2399, inclusive
WCRC 2465 through 2474, inclusive
WCRC 2476 through 2479, inclusive

A fee of \$16.00 is enclosed. Please return original and any extra copies not needed by the Commission for recordation to Carland, Inc. 1055 Broadway, Suite 990, Kansas City, MO 64105.

A short summary of the document to appear in the index follows: Lease between Carland, Inc, 1055 Broadway, Suite 990, Kansas City, MO 64105 and MidSouth Corporation, Post Office Box 1232, Jackson, MS 39215-1232 dated December 22, 1992, and covering one hundred eighty-three (183) 73 foot, 100 ton center beam bulkhead flatcars built by Gunderson, Inc.

Very truly yours,


Jay M. Nadlman

JMN:jar

Enclosures

cc: Larry D. Nicotra
President, Carland, Inc.

CERTIFICATION OF FILER

I, Larry D. Nicotra, certify that I have compared the copy with the original and found the copy to be complete and identical in all respects to the original document and that I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 25, 1993

Larry D. Nicotra

Larry D. Nicotra
President, Carland, Inc.

CORPORATE FORM OF ACKNOWLEDGEMENT

I, Larry D. Nicotra, certify that I am President of Carland, Inc., the instrument was signed on behalf of the corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the corporation. I further declare under penalty of perjury that the foregoing is true and correct.

Executed on March 25, 1993



Larry D. Nicotra,
President, Carland, Inc.

APR 13 1993 10-40 AM

LEASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

This LEASE AGREEMENT dated as of the 22nd day of December, 1992 (the "Agreement"), by and between Carland, Inc., a Delaware corporation ("Lessor"), and MidSouth Rail Corporation, a Delaware corporation ("Lessee"), having its principal place of business at Jackson, Mississippi.

WITNESSETH:

1. Lease. Lessor agrees to furnish and lease to Lessee, and Lessee agrees to accept and use upon the terms and conditions herein set forth, One Hundred and Eighty-Three (183) 73 foot center partition bulkhead flatcars ("Cars") shown on Appendix "A", attached hereto and incorporated herein by reference.

2. Delivery. Lessee currently has possession of the cars.

3. Inspection and Acceptance. Each Car shall be subject to Lessee's inspection and Lessee shall execute a Certificate of Acceptance in the form set forth in Exhibit A hereto evidencing the fitness and suitability of each Car and Lessee's acceptance of such Car. The loading of any Car by Lessee or at its direction shall constitute acceptance thereof by Lessee, and shall be conclusive evidence of the fit and suitable condition thereof for the purpose of transporting the commodities then and thereafter loaded therein or thereon.

4. Usage. Lessee agrees to use the Cars exclusively in its own service. The Cars may be used only for the transportation of lumber and lumber products. The Cars shall be shipped primarily in the United States. None of the Cars shall be or used for the transport of explosives or hazardous materials except with the prior written consent of Lessor.

5. Rental Charge. Lessee agrees to pay the monthly rental charge ("Rental") of \$375.00 per Car per month from January 1, 1993, until such Car is returned to and accepted by Lessor. Each Rental shall be paid in advance on the first day of the month, prorating, however, any period which is less than a full month on the basis of a month of thirty (30) days. The Rental shall be payable without deduction, reduction, set-off or counterclaim of any kind, for any reason, whether or not related to this Agreement. Such Rentals shall be paid to Lessor at: Carland, Inc., 1055 Broadway, Suite 990, Kansas City, MO 64105-1599, or such other address as Lessor shall designate in writing.

6. No Lessor Warranties. LESSEE ACKNOWLEDGES THAT THE EQUIPMENT IS OF THE TYPE, DESIGN, SIZE, CAPACITY AND MANUFACTURER SELECTED BY LESSEE. AS BETWEEN THE LESSOR AND LESSEE ANY AFFIRMATION OR PROMISE, DESCRIPTION, SAMPLE OR MODEL GIVEN BY THE

LESSOR TO THE LESSEE WAS NOT INTENDED TO BECOME OR BE PART OF THE BASIS OF THE BARGAIN OF THIS LEASE AND AS SUCH NO EXPRESS WARRANTY WAS MADE OR GIVEN. ALL PRIOR, WRITTEN OR ORAL, AFFIRMATIONS OR PROMISES, DESCRIPTION, SAMPLES OR MODELS THAT ARE NOT CONTAINED HEREIN HAVE BEEN SUPERSEDED BY THE TERMS OF THIS AGREEMENT. THERE ARE NO OTHER EXPRESSED WARRANTIES OF ANY NATURE WHATSOEVER.

LESSEE ACKNOWLEDGES THAT LESSOR MAY SELL OR ASSIGN THE CARS AND THIS LEASE TO A THIRD PARTY, OTHER THAN THE MANUFACTURER OF THE CARS, (THE "ASSIGNEE"). IN SUCH CASE, LESSEE AGREES THAT WITHOUT WAVING ANY RIGHTS IT MAY HAVE AGAINST LESSOR, ASSIGNEE IS NOT A MANUFACTURER OR REPRESENTATIVE THEREOF IN, MERCHANT IN, OR DEALER IN, THE EQUIPMENT; THAT ASSIGNEE HAS NO DUTY TO ENFORCE ANY MANUFACTURER'S WARRANTIES ON BEHALF OF LESSEE; THAT ASSIGNEE WILL NOT AND HAS NO OBLIGATION TO, INSPECT THE EQUIPMENT PRIOR TO DELIVERY TO LESSEE AND THAT ASSIGNEE HAS NOT MADE AND WILL NOT MAKE ANY REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR IMPLIED, ON WHICH LESSEE MAY RELY, WITH RESPECT TO: THE MERCHANTABILITY, FITNESS, SAFETY, CONDITION, QUALITY, DURABILITY OR SUITABILITY FOR LESSEE'S PURPOSES OF THE EQUIPMENT IN ANY RESPECT, THE EQUIPMENT'S COMPLIANCE WITH ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO, LATENT DEFECTS, OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR IMPLIED. ASSIGNEE SHALL NOT BE LIABLE TO LESSEE FOR ANY LIABILITY, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT OR BY ANY INADEQUACY THEREOF OR DEFICIENCY OR DEFECT THEREIN, WHETHER DIRECT, INDIRECT, EXEMPLARY OR PUNITIVE, WHETHER OR NOT ASSIGNEE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7. Records and Reports Pertaining to Movement of the Cars. Lessee agrees to keep records pertaining to the movement of the Cars and will furnish to Lessor upon reasonable request reports of all loaded and empty miles for each Car both on its lines and on the lines of other railroads, including but not limited to dates loaded and shipped, destination, and full junction routing.

8. Railroad Charges. If Lessor is required to make any payments to a railroad resulting from storage or the empty movement of any of the Cars while they are in Lessee's service, Lessee agrees to reimburse Lessor for such payments.

9. Loss, Destruction and Repairs. Lessee shall notify Lessor of the loss or destruction of, or damage to, any Car within two (2) days of receipt by Lessee of the knowledge of such event.

(a) Repairs. Lessee shall, at its expense, perform, arrange, and pay for all maintenance and repairs during the Term of the Lease. Rent shall continue to accrue while Cars are out of service for repairs. However, if Lessee provides Lessor with evidence satisfactory to Lessor that the cost of such maintenance or repair exceeds the Loss Value as defined in Section 9(b) of this Agreement, the Lessee may elect to treat the Car or Cars for which

such maintenance or repairs are required as lost or destroyed pursuant to Section 9(b).

Lessee shall not, without the prior written consent of Lessor, affix or install any accessory, part, equipment, or device on any Car if such addition will impair the originally intended function or use of such Car. All additions, repairs, parts, supplies, accessories, equipment and devices furnished, attached or affixed to any Car shall thereupon become the property of Lessor (except for such as may be removed without in any way affecting or impairing the originally intended function or diminishing the value of the Car or use thereof or materially damaging the Car, and provided further that any damage caused by such removal is repaired by Lessee forthwith). Lessee shall be responsible for maintenance and repair of the cable tie-down system.

(b) Loss or Destruction. If any Car shall be lost, destroyed, or damaged to the extent that the physical condition is, in Lessor's reasonable opinion, such that it cannot be operated in railroad service, Lessee shall pay to Lessor the Loss Value set out in Table A for the year and month of the casualty. Any Loss Value payable by Lessee to Lessor pursuant to this Section 9(b) shall be reduced by any amounts received by Lessor from any party responsible for such loss or destruction.

Upon receipt by Lessor of the Loss Value due for a lost, destroyed, or damaged Car, rental payments for that Car will cease and Lessor shall convey to Lessee all of its rights, title and interest (as is, where is) to the lost, destroyed or damaged Car at no further expense to Lessee. Lessor shall have the right, but shall not be obligated, to substitute for any such Car another car of the same type and capacity and the rental with respect to such substituted Car shall commence upon delivery of such substituted Car to Lessee.

(c) Removal from Service. In the event the physical condition of any Car shall become such that the Car cannot be operated in railroad service as reasonably determined by Lessor and Lessor elects to permanently remove such Car from Lessee's service, the rental with respect to such Car shall terminate upon the removal of such Car. Lessor shall be compensated for Car or Cars removed from service under the provisions of Subparagraph (b), Loss or Destruction, and Lessee shall receive all of Lessor's rights, title and interest in such Cars. Lessor shall have the right, but shall not be obligated, to substitute for any such Car another Car of the same type and capacity and the rental in respect to such substituted Car shall commence upon delivery of such substituted Car to Lessee.

10. Rules, Laws and Regulations. Lessee agrees to comply with all United States and Canadian Governmental laws, regulations, requirements and rules (including the rules of the United States

Department of Transportation and Interstate Commerce Commission) and the Interchange Rules with respect to the use, maintenance and operation of the Cars subject to this Agreement.

11. Lessee Responsibility. Lessee shall be responsible for and shall indemnify Lessor and hold Lessor harmless and does hereby release Lessor from the loss or destruction of, or damage to, the Cars or any parts thereof, or any commodities loaded or shipped therein, during the term of this Agreement; provided, however, Lessee shall not be responsible to the extent the then-prevailing Interchange Rules place responsibility upon a railroad subscribing to the Interchange Rules; and provided, further, that Lessee shall not be responsible if such loss, destruction, or damage to the Cars or parts thereof was caused by the sole active gross negligence or willful misconduct of Lessor. Notwithstanding anything contained herein to the contrary, Lessee shall be responsible for and shall indemnify Lessor and hold Lessor harmless and does hereby release Lessor from the loss or destruction of, or damage to, a Car or any part thereof during the term of this Agreement which shall (i) be occasioned by the misuse or negligence of Lessee, its consignee, agent or sublessee, (ii) occur while such Car is on the tracks of Lessee or any private siding or track, or at the loading or unloading facility of Lessee or its consignee, agent or sublessee, or on the track of any railroad that does not subscribe to the Interchange Rules or any private or industrial railroad or (iii) be caused by any commodity which may be transported or stored in or on such Car.

12. Indemnities. Lessee agrees to defend, indemnify, and hold Lessor harmless from and against any loss, liability, claim, suit, damage or expense of whatsoever nature and regardless of the cause thereof arising out of or in connection with or resulting from the condition, use, loss of use, maintenance or operation of the Cars during the term of this Agreement, excepting, however, any loss, liability, claim, suit, damage, or expense which accrues with respect to any of the Cars (i) which is attributable to the sole active gross negligence or willful misconduct of Lessor, its agents or employees; or (ii) for which a railroad has assumed full responsibility, including investigating and defending against any claim for damages.

13. Loss or Damage to Lading. Lessor shall not be liable for any loss of or damage to commodities, or any part thereof, loaded or shipped in or on the Cars, and Lessee agrees to assume financial responsibility for, to indemnify Lessor against, and to save Lessor harmless from any such loss or damage, unless caused by the sole active gross negligence or willful misconduct of Lessor.

14. Marks. Lessee shall be responsible, at its expense, for applying any allowed reporting marks to the Cars after delivery thereof to Lessee and for changing all railroad reporting marks back to reporting marks designated by Lessor prior to the last

loaded move of the Cars in the Lessee's service.

15. Load Limits. Lessee agrees not to load any of the Cars in excess of the load limit stenciled thereon.

16. Lessor's Inspection Rights. During the continuance of this Lease, Lessor shall have the right so long as it does not unreasonably interfere with Lessee's operations, at its own cost and expense, to inspect the Cars at any reasonable time wherever they are located and to inspect the records of Lessee which pertain to such Cars insofar as such inspection is necessary to verify mileage.

17. Charges. Lessee shall be liable for all charges and costs associated with the empty movement of Cars, including movement to and from repair facilities, where such repair facility is the most convenient shop qualified to do the repairs.

18. Sublease and Assignment. Lessee may not sublease any of the Cars and shall make no transfer or assignment of its interest under this Agreement in and to the Cars without Lessor's prior written consent, and any attempted sublease, transfer or assignment without such consent shall be void; provided, however, Lessor acknowledges that Lessee's contract and leasehold rights under this Lease are subject to liens created by Lessee's existing credit agreements. Notwithstanding any liens created by Lessee's existing credit agreements, no right, title, or interest in any of the Cars shall vest in Lessee or its creditors by reason of this Agreement or by reason of the delivery to or use by Lessee of the Cars, except the right to use the Cars in accordance with the terms of this Agreement. Lessee shall keep the Cars free and clear of any lien or encumbrance and agrees to indemnify Lessor and hold Lessor harmless from any cost or expense, including attorney' fees, with respect to such a lien or encumbrance.

Lessor shall have the right to assign this Agreement and/or any of Lessor's rights hereunder, including the right to receive rentals, and Lessee hereby consents to and accepts any such assignment.

19. Default. If Lessee defaults for longer than five (5) days in the payment when due of any sum of money under this Agreement; or if Lessee fails to perform any covenant or condition required to be performed by Lessee which failure shall not be remedied within ten (10) days after notice thereof from Lessor to Lessee; or if Lessee shall dissolve, make or commit any act of bankruptcy, or if any proceeding under any bankruptcy, or insolvency statute or any laws relating to relief of debtors is commenced by Lessee, or if any such proceeding is commenced against Lessee and same shall not have been removed within sixty (60) days of the date of the filing thereof; or if a receiver, trustee, or liquidator is appointed for Lessee for all or a substantial part of

Lessee's assets with Lessee's consent, or if without Lessee's consent the same shall not have been removed within sixty (60) days of the date of the appointment thereof; or if an order, judgment or decree be entered by a court of competent jurisdiction and continue unpaid and in effect for any period of sixty (60) consecutive days without a stay of execution; or if a writ of attachment or execution is levied on any Car and is not discharged within ten (10) days thereafter, Lessor may exercise one or more of the following remedies with respect to the Cars:

a) Immediately terminate this Agreement and Lessee's rights hereunder;

b) Require Lessee to return the Cars to Lessor at Lessee's expense, and if Lessee fails to so comply, Lessor may take possession of such Cars without demand or notice and without court order or legal process;

c) Lease the Cars to such persons, at such rental and for such period of time as Lessor shall elect. Lessor shall apply the proceeds from such leasing, less all costs and expenses incurred in the recovery, repair, storage, and renting of such Cars, toward the payment of Lessee's obligations hereunder. Lessee shall remain liable for any deficiency, which, at Lessor's option, shall be paid monthly, as suffered, or immediately, or at the end of the term as damages for Lessee's default;

d) Declare all rent and other amounts then accrued or thereafter accruing from Lessee to Lessor under any provision hereunder immediately due and payable; or

e) Pursue any other remedy which Lessor may have.

Each remedy is cumulative and may be enforced separately or concurrently. If Lessee fails to perform any of its obligations hereunder, Lessor, at Lessee's expense, and without waiving any rights it may have against Lessee for such nonperformance, may itself render such performance. Further, Lessee shall reimburse Lessor for all costs and expenses including reasonable attorney's fees expended by Lessor in the enforcement of its rights and remedies hereunder, and Lessee shall pay interest on any amount owing to Lessor from the time such amount becomes due hereunder at a rate of eighteen percent (18%) per annum; such rate to be reduced, however, to the extent it exceeds the maximum rate permitted by applicable law. In addition, Lessee shall, without expense to Lessor, assist Lessor in repossessing the Cars and shall, for a reasonable time if required, furnish suitable trackage space for the storage of the Cars.

If applicable, Lessor shall be entitled to the remedies of a Lessor under Section 1168 of the U. S. Bankruptcy Code.

20. Return Provisions. Lessee agrees, immediately upon the termination of this Agreement, to return the Cars to Lessor at any point on Lessee's lines at the direction of Lessor, suitable for interchange service, empty and free from residue and in the same good condition as when each Car was delivered to Lessee by Lessor, ordinary wear and tear excepted. Lessee shall, on demand, reimburse Lessor for the cost of damage to any of the Cars or to the fittings or appurtenances thereto, caused by the commodities transported therein or thereon. If any Car is returned to Lessor not free from accumulations or deposits, the Car shall remain on rental until the earliest of thirty (30) days from the date of return or the date the accumulations and deposits have been removed.

In the event that any Car is not delivered to Lessor as provided in this Section 20 on or before the end of the term specified for such Car, all of the obligations of Lessee under this Agreement with respect to such Car shall remain in full force and effect until such Car is so delivered to Lessor; provided, however, in the event that any Car is not delivered to Lessor as provided in this Section 20 within thirty (30) days after the end of the term for such Car, the Rental for such Car shall, upon the expiration of such thirty (30) day period, be set at one and one-half times the Rental.

21. Taxes. Lessee agrees to assume responsibility for the reporting and payment of any and all taxes resulting from the lease, possession or use of the Cars (excluding Lessor's state and federal income taxes), including but not limited to all property, sales, use or similar taxes. Lessee shall hold Lessor harmless from any and all tax liability for which it is responsible under this Agreement.

In order to avoid loss, disallowance, recapture, or other diminution of any tax benefits claimed by Lessor with respect to the Cars, including, but not limited to any accelerated depreciation deduction allowable under Section 168 and related Sections of the Internal Revenue Code of 1986 (the "Code"), Lessee (i) shall use the Cars predominantly within the continental United States within the meaning of the Code, (ii) shall cause third parties having control over the Cars to use the Cars predominantly within the continental United States within the meaning of the Code, and (iii) shall not take or fail to take any actions which, under Sections 48 or 168(g) of the Code, would cause Lessor to suffer a loss of any tax benefits otherwise available to Lessor under Section 168 of the Code.

If Lessor shall lose by disallowance, recapture or otherwise, any portion of said tax benefits as the result of any act committed by Lessee or any third party having control over the Cars or Lessee's or such third party's failure to take any act, Lessee agrees to pay Lessor a sum which, after deduction of all

taxes required to be paid by Lessor in respect of the receipt thereof under the laws of the United States or any political subdivision thereof, shall be equal to the amount of the tax benefits so lost by Lessor, which sum shall be payable on written demand made at any time after payment of the tax attributable to the portion of the tax benefits lost; provided, however, that Lessee shall be under no obligation to indemnify Lessor for the amount of any tax benefits lost with respect to any Car for which Lessee has paid to Lessor the loss Value set forth in Section 9 hereof.

Lessee, at its own expense, may contest in good faith and by appropriate proceedings the imposition of any tax or the loss of any tax benefit, so long as such contest or proceeding does not adversely affect the title, property or rights of Lessor. Lessor shall reasonably cooperate with Lessee in the prosecution of any such action, including when appropriate allowing the prosecution of the action in Lessor's name. Lessee shall indemnify and hold Lessor harmless from the imposition and payment of the taxes protested or the benefit lost, and from any penalties or interest thereon.

22. Insurance.

(a) Lessee shall procure and maintain, at its sole cost and expense, comprehensive general liability insurance, including contractual coverage for the liabilities assumed herein, with reputable and financially responsible insurance underwriters properly insuring Lessees, without exclusion for punitive damages, episodic injuries, hazardous materials transportation or otherwise, against liability and claims for (i) injuries to persons (including injuries resulting in death), environmental restoration and property damage in a combined single limit of not less than \$5,000,000 per occurrence and (ii) any additional insurance as may be required by applicable laws, rules and regulations.

(b) Lessee shall furnish to Lessor written certificates or copies of insurance policies, showing that such insurance has been procured and is being properly maintained or, in the alternative, that Lessee is a qualified self-insurer.

23. Representations and Warranties of Lessee. Lessee represents and warrants that, as of the date of this Agreement:

(a) Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and is either duly qualified to do business and is in good standing in such other jurisdictions in which the business and activities of Lessee require such qualification, or its failure to so qualify in any such other jurisdiction will not have a material adverse impact on this Agreement.

(b) Lessee has full corporate power to enter into this Agreement.

(c) The Agreement had been duly authorized, executed, and delivered by Lessee, and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms.

(d) No approval is required by Lessee from any governmental or public body or authority with respect to the entering into or performance of this Agreement.

(e) The entering into and performance of this Agreement will not conflict with, or result in a breach of, the terms, conditions, or provisions of (i) any law, or any regulation, order, injunction, permit, franchise, or decree of any court or governmental instrumentality, and (ii) any indenture, agreement, or other instrument to which Lessee is party or by which it or any of its property is bound.

24. Modifications. In the event the United States Department of Transportation, or any other United States or Canadian governmental agency, or the Association of American Railroads, or the Canadian Transport Commission, or any other non-governmental organization having jurisdiction over the operation, safety or use of railroad equipment in the United States or Canada, requires that Lessor add, modify, or in any manner adjust the Cars subject to this Agreement in order to qualify them for operation in railroad interchange, Lessee agrees to pay for such additions, modifications or adjustments. However, if Lessee provides Lessor with evidence satisfactory to Lessor that the cost of such additions, modifications or adjustments exceeds the Loss Value as defined in Section 9(b) of this Agreement, the Lessee may elect to treat the Car or Cars for which such additions, modifications, or adjustments are required as lost or destroyed pursuant to Section 9(b).

25. Notices. With regard to any Car, any notice, demand or request required or permitted to be made, given or served by either party to or upon the other hereunder, shall be in writing and shall be deemed to have been made when deposited in the United States or Canada mail, certified or registered mail, postage prepaid and addressed to Lessor or Lessee at the address set forth below:

If to Lessor:

Carland, Inc.
Attn: President
1055 Broadway, Suite 990
Kansas City, MO 64105-1599

If to Lessee:

MidSouth Rail Corporation
Director, Car Accounting
P. O. Box 1232
Jackson, MS 39215-1232

26. Successors. This Agreement shall be binding upon the parties hereto, their respective successors, assigns and legal representatives; and shall remain in full force and effect from the

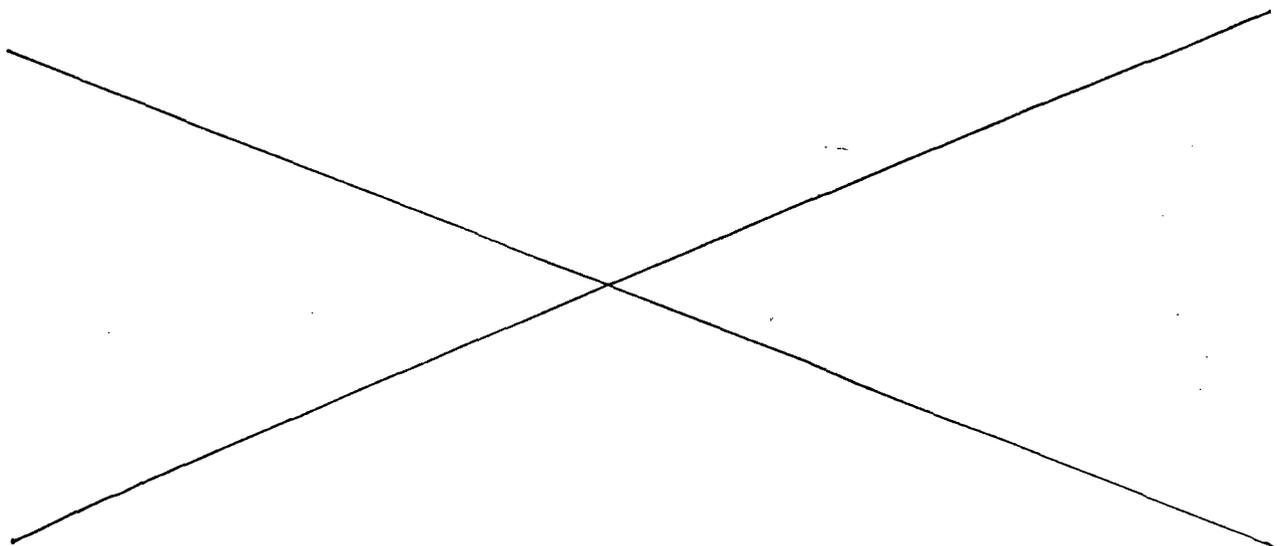
date hereof until the completion of the Term, and all Cars are returned to Lessor.

27. Term. This Agreement shall remain in effect, unless terminated by an occurrence of default as provided in Paragraph 19 or by the mutual consent of Lessor and Lessee, for 12 years from the date of execution (144 months).

At the conclusion of the term Lessee shall have the option of purchasing all of the Cars at their then fair market value. Lessee may exercise this option by making a written offer to purchase the Cars at fair market value at least 180 days prior to the expiration of the Lease. Upon receipt of written notice of Lessee's intent to purchase the Cars, Lessee and Lessor shall have 30 days to agree on the fair market value of the Cars. If Lessor and Lessee cannot agree on the fair market value within 30 days, then the each party shall appoint an independent qualified appraiser, who will in turn appoint a third independent qualified appraiser. Lessor and Lessee shall share equally the cost of the three qualified appraisers. The fair market value shall be the average of the two most closely grouped appraisal values. The result of the this appraisal shall be binding on both Lessor and Lessee. For purposes of this paragraph, fair market value shall be considered as the amount in an arm's length transaction an informed and willing buyer would pay and an informed and willing seller under no compulsion to sell would accept.

28. Captions. Captions to any provision of this Agreement are for ease of reference only and are not to be construed to be part of this Agreement.

29. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Missouri.



IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement (such execution may be by two or more counterparts, each of which shall be deemed an original) as of the date and year first above written.

LESSEE:

MIDSOUTH RAIL CORPORATION

By: Mark Jarvin

Title: Chairman of the Board

LESSOR:

CARLAND, INC.

By: James D. Maister

Title: President

APPROVED AS TO FORM

J.M.M.

True and Exact Copy of Original
Carland, Inc.

By: James D. Maister

Notarized: Darla J. Durnell

My Commission Expires: 3-9-95

DARLA J. DURNELL
Notary Public - State of Missouri
Commissioned in Jackson County
My Commission Expires March 8, 1995

EXHIBIT A

PURSUANT TO LEASE AGREEMENT DATED DECEMBER 22, 1992
CONTRACT # _____

CERTIFICATE OF ACCEPTANCE OF
RAILROAD CARS

This Certificate related to the railroad cars listed below leased by Carland, Inc. to MidSouth Rail Corporation under a Lease Agreement dated December 22, 1992 (the "Agreement"), into which this Certificate is incorporated by Section 3 thereof.

DESCRIPTION OF CARS: One Hundred and Eighty-Three (183) 73' center partition flatcars

CAR NUMBERS: MSRC 6000-6043, WCRC 2300-2399, WCRC 2476-2479,
MSRC 6045-6049; WCRC 2465-2474, WCRC 2050-2069.

Lessee hereby certifies the fitness and suitability and its unconditional acceptance of the railroad cars listed herein as of the date below written and hereby subjects said railroad cars to the Agreement.

Lessee hereby certifies that the representations and warranties of Lessee contained in the Agreement are true and correct as of the date below written and that no event of default exists or with the passage of time would exist with regard to the Agreement.

Lessee hereby certifies that the undersigned officer signing on behalf of Lessee is duly authorized to execute and deliver this Certificate.

MIDSOUTH RAIL CORPORATION
Lessee

By: Mark M. Jerni

Title: Chairman of the Board

Date: December 22, 1992

Attest/Witness:

By: [Signature]

Title: Assistant Secretary

True and Exact Copy of Original
Carland, Inc.

By: [Signature]

Notarized: [Signature]

My Commission Expires: 3-9-95

DARLA J. DURNELL
Notary Public - State of Missouri
Commissioned in Jackson County
My Commission Expires March 9, 1995

TABLE A, PAGE 1

Casualty Schedule

Lessor: Carland, Inc.

Lessee: MidSouth Rail Corporation

Per	Date	Dollar Amt	% of Cost	% of Rent	Per	Date	Dollar Amt	% of Cost	% of Rent
1	12/31/92	42,014.39	100.0343	77.8044	42	5/31/96	41,926.53	99.8251	77.6417
2	1/31/93	42,068.46	100.1630	77.9045	43	6/30/96	41,879.61	99.7134	77.5548
3	2/28/93	42,121.37	100.2830	78.0025	44	7/31/96	41,830.85	99.5973	77.4645
4	3/31/93	42,171.44	100.4082	78.0953	45	8/31/96	41,780.24	99.4768	77.3708
5	4/30/93	42,214.64	100.5111	78.1753	46	9/30/96	41,728.51	99.3536	77.2750
6	5/31/93	42,256.63	100.6110	78.2530	47	10/31/96	41,674.91	99.2260	77.1758
7	6/30/93	42,291.70	100.6945	78.3180	48	11/30/96	41,619.43	99.0939	77.0730
8	7/31/93	42,325.50	100.7750	78.3806	49	12/31/96	41,562.79	98.9590	76.9681
9	8/31/93	42,358.01	100.8524	78.4408	50	1/31/97	41,504.25	98.8196	76.8597
10	9/30/93	42,383.55	100.9132	78.4880	51	2/28/97	41,443.79	98.6757	76.7478
11	10/31/93	42,407.74	100.9708	78.5329	52	3/31/97	41,381.49	98.5274	76.6324
12	11/30/93	42,430.58	101.0252	78.5751	53	4/30/97	41,317.95	98.3761	76.5147
13	12/31/93	42,446.38	101.0628	78.6044	54	5/31/97	41,252.45	98.2201	76.3934
14	1/31/94	42,460.77	101.0971	78.6311	55	6/30/97	41,185.69	98.0612	76.2698
15	2/28/94	42,473.74	101.1280	78.6551	56	7/31/97	41,116.95	97.8975	76.1425
16	3/31/94	42,484.58	101.1538	78.6751	57	8/31/97	41,046.23	97.7291	76.0115
17	4/30/94	42,491.18	101.1695	78.6874	58	9/30/97	40,974.20	97.5576	75.8781
18	5/31/94	42,496.31	101.1817	78.6969	59	10/31/97	40,900.16	97.3813	75.7410
19	6/30/94	42,497.17	101.1837	78.6985	60	11/30/97	40,824.11	97.2003	75.6002
20	7/31/94	42,496.51	101.1822	78.6972	61	12/31/97	40,746.71	97.0160	75.4569
21	8/31/94	42,494.33	101.1770	78.6932	62	1/31/98	40,667.27	96.8268	75.3098
22	9/30/94	42,487.82	101.1615	78.6812	63	2/28/98	40,585.76	96.6328	75.1588
23	10/31/94	42,479.76	101.1423	78.6662	64	3/31/98	40,502.47	96.4344	75.0046
24	11/30/94	42,470.12	101.1193	78.6484	65	4/30/98	40,417.77	96.2328	74.8477
25	12/31/94	42,456.10	101.0860	78.6224	66	5/31/98	40,330.39	96.0262	74.6870
26	1/31/95	42,440.47	101.0487	78.5935	67	6/30/98	40,242.79	95.8162	74.5237
27	2/28/95	42,423.22	101.0077	78.5615	68	7/31/98	40,152.47	95.6011	74.3564
28	3/31/95	42,403.99	100.9619	78.5259	69	8/31/98	40,060.02	95.3810	74.1852
29	4/30/95	42,382.38	100.9104	78.4859	70	9/30/98	39,966.12	95.1574	74.0113
30	5/31/95	42,359.10	100.8550	78.4428	71	10/31/98	39,870.06	94.9287	73.8334
31	6/30/95	42,333.41	100.7938	78.3952	72	11/30/98	39,771.83	94.6948	73.6515
32	7/31/95	42,306.03	100.7286	78.3445	73	12/31/98	39,672.10	94.4574	73.4669
33	8/31/95	42,276.95	100.6594	78.2906	74	1/31/99	39,570.18	94.2147	73.2781
34	9/30/95	42,245.41	100.5843	78.2322	75	2/28/99	39,466.05	93.9668	73.0853
35	10/31/95	42,212.15	100.5051	78.1706	76	3/31/99	39,359.97	93.7142	72.8888
36	11/30/95	42,177.14	100.4218	78.1058	77	4/30/99	39,254.07	93.4621	72.6927
37	12/31/95	42,139.64	100.3325	78.0364	78	5/31/99	39,145.93	93.2046	72.4925
38	1/31/96	42,100.37	100.2390	77.9637	79	6/30/99	39,037.95	92.9475	72.2925
39	2/29/96	42,059.32	100.1412	77.8876	80	7/31/99	38,927.72	92.6850	72.0884
40	3/31/96	42,016.38	100.0390	77.8081	81	8/31/99	38,815.22	92.4172	71.8800
41	4/30/96	41,972.36	99.9342	77.7266	82	9/30/99	38,702.86	92.1497	71.6720

Note: The date reflects the LAST DAY the Casualty amount is valid.
Percentage of Rent reflects percentage of Gross Rentals (\$54,000.00).

TABLE A, PAGE 2

Casualty Schedule

Lessor: Carland, Inc.

Lessee: MidSouth Rail Corporation

Per	Date	Dollar Amt	% of Cost	% of Rent	Per	Date	Dollar Amt	% of Cost	% of Rent
83	10/31/99	38,588.22	91.8767	71.4597	124	3/31/ 3	33,033.71	78.6517	61.1735
84	11/30/99	38,471.28	91.5993	71.2431	125	4/30/ 3	32,878.90	78.2831	60.8869
85	12/31/99	38,354.44	91.3201	71.0267	126	5/31/ 3	32,721.62	77.9086	60.5956
86	1/31/ 0	38,235.29	91.0364	70.8061	127	6/30/ 3	32,565.80	77.5376	60.3070
87	2/29/ 0	38,113.81	90.7472	70.5911	128	7/31/ 3	32,407.41	77.1605	60.0137
88	3/31/ 0	37,991.03	90.4548	70.3538	129	8/31/ 3	32,246.51	76.7774	59.7158
89	4/30/ 0	37,869.94	90.1665	70.1295	130	9/30/ 3	32,087.05	76.3977	59.4205
90	5/31/ 0	37,746.60	89.8729	69.9011	131	10/31/ 3	31,925.00	76.0119	59.1204
91	6/30/ 0	37,624.96	89.5832	69.6759	132	11/30/ 3	31,760.40	75.6200	58.8156
92	7/31/ 0	37,500.99	89.2881	69.4463	133	12/31/ 3	31,597.23	75.2315	58.5134
93	8/31/ 0	37,374.73	88.9874	69.2125	134	1/31/ 4	31,431.44	74.8368	58.2064
94	9/30/ 0	37,250.15	88.6908	68.9818	135	2/29/ 4	31,263.00	74.4357	57.8944
95	10/31/ 0	37,123.22	88.3886	68.7467	136	3/31/ 4	31,093.61	74.0324	57.5808
96	11/30/ 0	36,993.98	88.0809	68.5074	137	4/30/ 4	30,925.61	73.6324	57.2697
97	12/31/ 0	36,866.40	87.7771	68.2711	138	5/31/ 4	30,755.04	73.2263	56.9538
98	1/31/ 1	36,736.45	87.4677	68.0305	139	6/30/ 4	30,585.85	72.8234	56.6405
99	2/28/ 1	36,604.09	87.1526	67.7854	140	7/31/ 4	30,413.99	72.4143	56.3222
100	3/31/ 1	36,471.04	86.8358	67.5390	141	8/31/ 4	30,239.53	71.9989	55.9991
101	4/30/ 1	36,339.61	86.5229	67.2956	142	9/30/ 4	30,066.42	71.5867	55.6786
102	5/31/ 1	36,205.86	86.2044	67.0479	143	10/31/ 4	29,890.63	71.1682	55.3530
103	6/30/ 1	36,073.74	85.8899	66.8032	144	11/30/ 4	29,712.19	70.7433	55.0226
104	7/31/ 1	35,939.22	85.5696	66.5541	145	12/31/ 4	29,535.09	70.3216	54.6946
105	8/31/ 1	35,802.34	85.2437	66.3006					
106	9/30/ 1	35,667.06	84.9216	66.0501					
107	10/31/ 1	35,529.36	84.5937	65.7951					
108	11/30/ 1	35,389.28	84.2602	65.5357					
109	12/31/ 1	35,250.79	83.9305	65.2792					
110	1/31/ 2	35,109.85	83.5949	65.0182					
111	2/28/ 2	34,966.43	83.2534	64.7527					
112	3/31/ 2	34,822.23	82.9101	64.4856					
113	4/30/ 2	34,679.60	82.5705	64.2215					
114	5/31/ 2	34,534.56	82.2251	63.9529					
115	6/30/ 2	34,391.07	81.8835	63.6872					
116	7/31/ 2	34,245.10	81.5360	63.4169					
117	8/31/ 2	34,096.69	81.1826	63.1420					
118	9/30/ 2	33,949.82	80.8329	62.8700					
119	10/31/ 2	33,800.44	80.4772	62.5934					
120	11/30/ 2	33,648.60	80.1157	62.3122					
121	12/31/ 2	33,498.27	79.7578	62.0339					
122	1/31/ 3	33,345.41	79.3938	61.7508					
123	2/28/ 3	33,189.99	79.0238	61.4629					

True and Exact Copy of Original
Carland, Inc.

By *Larry A. Hunter*

Notarized:

Darla J. Durnell

My Commission expires

DARLA J. DURNELL

3-9-95

Notary Public - State of Missouri
Commissioned in Jackson County
My Commission Expires March 9, 1995

Note: The date reflects the LAST DAY the Casualty amount is valid.
Percentage of Rent reflects percentage of Gross Rentals (\$54,000.00).