

TAFT, STETTINIUS & HOLLISTER

1800 STAR BANK CENTER

425 WALNUT STREET

CINCINNATI, OHIO 45202-3957

513-381-2838

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FAX: 513-381-0205

COLUMBUS, OHIO OFFICE
SUITE 1000 — 33 NORTH HIGH STREET
COLUMBUS, OHIO 43215-3022
614-221-2838
FAX: 614-221-2007

COVINGTON, KENTUCKY OFFICE
SUITE 340 — 1717 DIXIE HIGHWAY
COVINGTON, KENTUCKY 41011-2783
606-331-2838
613-381-2838
FAX: 613-381-6613

WASHINGTON, D.C. OFFICE
SUITE 500 — 625 INDIANA AVENUE, N.W.
WASHINGTON, D.C. 20004-2901
202-628-2838
FAX: 202-347-3419

17803

MAY 19 1992 -2³⁵ PM

INTERSTATE COMMERCE COMMISSION

May 18, 1992

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

2-140A044

17803

Interstate Commerce Commission
12th Street & Constitution Ave., N.W.
Washington, D.C. 20423
Attn: Mildred Lee
Room 2303

MAY 19 1992 -2³⁵ PM

INTERSTATE COMMERCE COMMISSION

MAY 19 2 26 PM '92
MOTOR OPERATING UNIT

Dear Ms. Lee:

I have enclosed herewith an original and one copy of each of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The first document is a Lease, a primary document, dated March 8, 1991.

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

LESSOR: The David J. Joseph Company
300 Pike Street
Cincinnati, Ohio 45202

LESSEE: Farmland Industries, Inc.
Post Office Box 7305
Kansas City, Missouri 64116-0005

The equipment covered by this Lease document is four hundred seventy-nine (479) 100 ton 1979 Hawker Siddeley 4,650 cubic foot covered hopper cars bearing the reporting marks set forth in Appendix A hereto.

The second document is an Assignment and Assumption Agreement, a secondary document, dated April 24, 1991. The primary document to which this is connected is the above Lease. We request that this assignment be cross indexed.

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

Ms. Mildred Lee
May 18, 1992
Page 2

ASSIGNOR: The David J. Joseph Company
300 Pike Street
Cincinnati, Ohio 45202

ASSIGNEE: Fifth Third Leasing Company
Fifth Third Bank Center
38 Fountain Square Plaza
Cincinnati, OH 45263

The equipment covered by this Assignment and Assumption Agreement is four hundred seventy-nine (479) 100 ton 1979 Hawker Siddeley 4,650 cubic foot covered hopper cars bearing the reporting marks set forth in Appendix A hereto.

A fee of \$16.00 is enclosed. Please return the original executed copy of the enclosed document to:

Philip F. Schultz, Esq.
Taft, Stettinius & Hollister
1800 Star Bank Center
425 Walnut Street
Cincinnati, OH 45202-3957

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

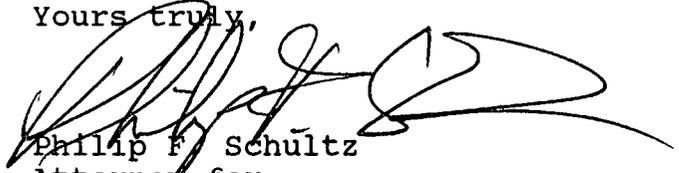
Lease from Farmland Industries, Inc., Post Office Box 7305, Kansas City, Missouri 64115-00005 to The David J. Joseph Company, 300 Pike Street, Cincinnati, Ohio 45202 dated March 8, 1991 and covering four hundred seventy-nine (479) 100 ton 1979 Hawker Siddeley 4,650 cubic foot covered hopper cars.

Assignment and Assumption Agreement from Fifth Third Leasing Company, Fifth Third Bank Center, 38 Fountain Square Plaza, Cincinnati, OH 45263 to The David J. Joseph Company, 300 Pike Street, Cincinnati, Ohio 45202 dated April 24, 1991 and covering four hundred seventy-nine (479) 100 ton 1979 Hawker Siddeley 4,650 cubic foot covered hopper cars.

Ms. Mildred Lee
May 18, 1992
Page 3

Please call me if you should have any questions.

Yours truly,



Philip F. Schultz
Attorney for
The David J. Joseph Company

PFS/bv
Enclosure
iccint1.djj

APPENDIX A

DESCRIPTION OF UNITS

(479) 100 ton, 1979 Hawker Siddeley, 4,650 Cubic Foot,
Covered Hopper Cars, bearing reporting marks as fol-
lows:

FLIX 2000 - 2009
FLIX 2011 - 2081
FLIX 2083 - 2144
FLIX 2148 - 2160
FLIX 2162 - 2212
FLIX 2214 - 2244
FLIX 2246 - 2249
FLIX 2251 - 2253
FLIX 2255 - 2261
FLIX 2263 - 2281
FLIX 2283 - 2287
FLIX 2289 - 2307
FLIX 2309 - 2312
FLIX 2314 - 2331
FLIX 2333 - 2336
FLIX 2338 - 2354
FLIX 2356
FLIX 2358 - 2411
FLIX 2413 - 2486
FLIX 2488 - 2499

Interstate Commerce Commission
Washington, D.C. 20423

5/20/92

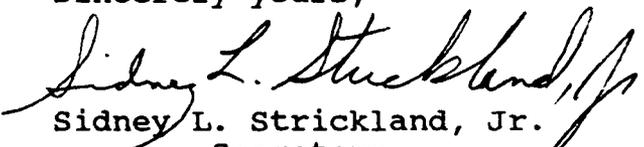
OFFICE OF THE SECRETARY

Philip F. Schultz
Taft Stettinius & Hollister
1800 Star Bank Center
425 Walnut Street
Cincinnati, Ohio 45202-3957

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 5/19/92 at 2:35pm, and assigned recordation number(s). 17803, 17803-A & 17804

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

MAY 19 1992 - 2:55 PM

INTERSTATE COMMERCE COMMISSION

CERTIFICATE

The undersigned, Stephen M. Griffith, Jr., a notary public in and for the County of Hamilton, State of Ohio, hereby certifies that the copy of the document attached hereto has been compared with the original and that the undersigned has found the copy to be complete and identical in all respects to the original document.

Stephen M. Griffith Jr.

Notary Public/

STEPHEN M. GRIFFITH, JR., Attorney at Law
NOTARY PUBLIC STATE OF OHIO
My Commission has no expiration
date. Section 147.03 O.R.C.

17803
MAY 10 1992 - 2 11 PM
INTERSTATE COMMERCE COMMISSION

RAILROAD EQUIPMENT LEASE

(NET)

BY AND BETWEEN

THE DAVID J. JOSEPH COMPANY

AND

FARMLAND INDUSTRIES, INC.

Dated as of:

March 8, 1991

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Exhibit A - Description of Units

Exhibit B - Base Rental

RAILROAD EQUIPMENT LEASE

THIS RAILROAD EQUIPMENT LEASE (the "Lease"), is entered into as of this 8th day of March, 1991, by and between The David J. Joseph Company, a Delaware corporation (hereinafter referred to as "Lessor") and Farmland Industries, Inc., a Kansas corporation (hereinafter referred to as "Lessee").

WHEREAS, Lessee desires to lease from Lessor and Lessor desires to lease to Lessee all of the items of equipment specified in Exhibit A attached hereto (hereinafter collectively referred to as the "Units" and singularly referred to as "Unit") on the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the mutual premises, covenants and agreements set forth herein, the parties hereby agree as follows:

1. LEASE OF UNITS

Lessor hereby leases to Lessee and Lessee hereby rents from Lessor the Units, to have and to hold the same unto Lessee for the period commencing on the earlier of (the "Commencement Date"): (i) December 28, 1994, or (ii) such earlier date (s) on which certain equipment leases dated May 22 1979 and June 15, 1979 between Lessee and Mercantile Bank, N.A., formerly Mercantile Trust Company National Association (the "Prior Leases") expire; and ending on the last day of the sixtieth month following the Commencement Date (the "Termination Date") but in no event prior to December 31, 1999. The period of time commencing on the Commencement Date and ending on the Termination Date shall sometimes hereinafter be referred to as the "Term".

2. BASE RENTAL

Lessee agrees to pay to Lessor, at Lessor's offices located at 300 Pike Street, Cincinnati, Ohio 45202, or to such other persons or at such other places as the Lessor may direct from time to time by written notice to Lessee, in coin or currency which at the time of payment is legal tender for payment of public and private debts in the United States of America, the amount of rent specified in Exhibit B attached hereto (the "Base Rental") during the Term of this Lease. The Base Rental provided for herein and then in effect, shall be due and payable in sixty (60) equal monthly installments in arrears on the first day of each calendar month during the Term of this Lease, without demand or setoff. The

Lessee shall also pay, as additional rent, all such other sums of money as shall become due and payable by Lessee to Lessor under this Lease (the Base Rental and any additional rent due hereunder are sometimes hereinafter referred to as "Gross Rental"). If the Commencement Date is not the first day of the month, a pro-rated monthly installment shall be paid at the then current rate for the fractional month during which the Commencement Date occurs, such installment or installments so pro-rated shall be paid along with the first monthly installment provided for in Exhibit "B". All past due installments of Gross Rental shall bear interest from date due until paid at the annual rate of two percent (2%) plus the prime rate announced from time to time by the Chemical Bank of New York during the period of delinquency, but in no event greater than the maximum rate permitted by applicable law.

This Lease is a "Net Lease" and Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due to, or by reason of, any past, present or future claims of Lessee against Lessor under this Lease or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate; nor shall the respective obligations of the Lessor or the Lessee otherwise be affected by reason of (i) any defect in, or damage to, or loss of possession or loss of use of, or destruction of all or any portion of the Units from whatsoever cause, (ii) the prohibition of, or other restriction against Lessee's use of all or any portion of the Units, or the interference with such use by any person or entity, (iii) the invalidity or unenforceability or lack of due authorization of this Lease or lack of right, power or authority of the Lessor to enter into this Lease, (iv) any failure by the Lessor to perform any of its obligations herein contained, or (v) 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 Gross Rental and all 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.

3. DELIVERY AND ACCEPTANCE OF UNITS

Lessee has leased and been in possession of the Units since delivered new to Lessee pursuant to the Prior Leases. The Prior Leases provide, among other things, that Lessee shall be responsible for maintaining the Units in good operating order and repair and in conformance with the requirements of the Interchange Rules of the Association of American Railroads and such other jurisdictions which have authority over the use of such Units. Lessee hereby acknowledges its continuing responsibilities to maintain the Units at all times from the date of execution of this

Lease until the Commencement Date of this Lease. By execution of this Lease, Lessee acknowledges and accepts delivery of the Units by Lessor and hereby deems the Units to be so delivered. Lessee also agrees that the execution of this lease shall constitute conclusive evidence that the Units are acceptable to Lessee for all purposes of this Lease and that this acceptance is absolutely binding upon Lessee.

4. MAINTENANCE AND REPAIRS

Lessee, at its sole expense, shall (i) keep and maintain the Units leased hereunder in good working order, condition and repair, and free from any and all liens and claims; (ii) install parts on, and make all necessary repairs and replacements to the Units using only new manufacturer made or manufacturer approved parts that conform to the construction of the Units; and (iii) provide all labor, materials, lubricants, parts and other supplies or items consumer by or required, in connection with the use of the Units. In addition to repairs and maintenance required pursuant to this Section 4, Lessee shall, at its sole expense, repair, replace, clean, oil, test, stencil and otherwise maintain the Units as required by, and in conformance with, the Interchange Rules of the Association of American Railroads, the FRA Railroad Freight Car Safety Standards, and the Safety Appliance and Power Braker Laws, as the same may be amended from time to time.

Any and all additions to any Unit, and any and all parts installed on or replacements made to any Unit shall be considered accessions to such Unit and, without cost or expense to the Lessor, there shall immediately be vested in the Lessor the same interest in such accessions as the interest of the Lessor in such Unit. The Lessee may make alterations or modifications in any Unit so long as it does not affect the value of such Unit adversely.

5. DISCLAIMER OF WARRANTIES

LESSOR, NOT BEING THE MANUFACTURER OF THE UNITS, NOR THE MANUFACTURER'S AGENT, HEREBY EXPRESSLY DISCLAIMS AND MAKES TO LESSEE NO WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO: THE FITNESS FOR USE, DESIGN OR CONDITION OF THE UNITS; THE QUALITY OR CAPACITY OF THE UNITS; THE WORKMANSHIP IN THE UNITS; THAT THE UNITS WILL SATISFY THE REQUIREMENT OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; AND ANY GUARANTEE OR WARRANTY AGAINST PATENT INFRINGEMENT OR LATENT DEFECTS, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN LESSOR AND LESSEE, ARE TO BE BORNE BY LESSEE. LESSOR IS NOT RESPONSIBLE OR LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGE TO OR LOSSES RESULTING FROM THE INSTALLATION, OPERATION OR USE OF THE UNITS OR ANY UNIT. Lessor hereby acknowledges that any manufacturers and/or sellers warranties are for the benefit of both Lessor and Lessee. Lessee's acceptance of

delivery of the Units shall be conclusive evidence as between Lessor and Lessee, that each Unit described in any Lessee's certificate sent pursuant to Section 3 above and confirming such acceptance, is in all of the foregoing respects satisfactory to the Lessee and the Lessee will not assert any claim of any nature whatsoever against Lessor based on all or any one of the foregoing matters.

6. USE OF THE UNITS

Lessee agrees, for the benefit of Lessor, to comply in all respects with all laws of the jurisdictions in which operations involving any Unit subject to this Lease may extend, with the Interchange Rules and the Codes of Car Hire and Car Service Rules of the Association of American Railroads, if applicable, and with all rules and regulations of the Interstate Commerce Commission, the Department of Transportation, and any other legislative, executive, administrative, judicial or governmental body or officer exercising any power or jurisdiction over any such Unit, to the extent such laws and rules affect the ownership, possession, operations or use of such Unit; and Lessee shall and does hereby indemnify and hold harmless Lessor from and against any and all liability that may arise from any infringement or violation of any such laws or rules by Lessee, its agents, employees, or any other person. In the event that such laws or rules require any alteration, change, modification or enhancement of any nature whatsoever to the Units or any Unit, Lessee agrees to make such alterations, changes, modifications and enhancements at its own expense and to use, maintain and operate such Units in full compliance with such laws and rules so long as such Units are subject to this Lease, provided, however, that Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the sole opinion of Lessor, adversely affect the rights of Lessor in the Units and hereunder. Lessee further agrees that no Units shall be used outside of the continental United States for more than 182 days in any calendar year during the term of this Lease.

7. FILINGS

Lessee agrees to prepare and deliver to Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of, and furnish a copy to, Lessor) any and all reports required to be filed by Lessor, or requested by Lessor to be filed, with any federal, state or other regulatory authority by reason of the ownership by Lessor of the Units, the security title of Lessor to the Units or the leasing of the Units to Lessee; provided, however, that Lessor shall be responsible for filing this Lease with the Interstate Commerce Commission pursuant to 49 U.S.C. Sec. 11303.

Lessee will cause each Unit to be kept numbered with its identifying number as set forth in Exhibit A hereto and all other markings and stenciling required by the Interchange Rules and the Codes of Car Hire and Car Service Rules of by the Association of American Railroads, as the same may be amended from time to time, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the following words: "Owned by The David J. Joseph Company", or other appropriate words designated by Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law or reasonably requested in order to protect the title of Lessor to the Units the rights of Lessor under this Lease. Lessee will replace promptly any such words which may be removed, defaced or destroyed. Lessee will not change, or permit to be changed, the numbers on any Unit, except in accordance with a statement of new numbers to be submitted therefor which previously shall have been filed with Lessor by the Lessee and filed, recorded or deposited in all public offices where this Lease will have been filed, recorded or deposited.

Each Unit may be lettered and painted in an appropriate manner for convenience of identification of the interests of Lessee therein, including such commercial markings, logos or painting schemes as are customary and usual for similar type of equipment. Except as above provided, Lessee will not allow the name of any person, association or corporation to be placed on any of the Units as a designation which might be interpreted as a claim of ownership thereof.

8. TAXES AND OTHER ASSESSMENTS

Lessee shall be responsible for, and shall indemnify and hold Lessor harmless from, all taxes (including, without limitation, sales, use, excise, import, domestication, personal property, ad valorem, withholding, stamp, documentary and other taxes, and excluding only any federal income taxes of Lessor or any state or local taxes imposed upon or measured by net income of Lessor), license fees, assessments, charges, duties, fines and penalties, currently or hereafter levied or imposed by any state, local, federal or foreign authority (all such expenses, taxes, license fees, assessments, charges, fines, penalties, being hereinafter called "Assessments") upon or in connection with or measured by this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title made pursuant to this Lease, all of which Assessments Lessee assumes and agrees to pay on demand as additional rent hereunder in addition to the other payments to be made by and provided for herein. Lessee will also pay promptly all Assessments which may be imposed upon the Units or for the possession, rental, shipment, delivery, use or operation thereof or on the earnings arising therefrom (except as provided above) or on Lessor solely by reason of the ownership thereof and will keep at all times all and every part of the Units free and clear of all

Assessments which might in any way affect the title of Lessor to any Unit or result in a lien upon any Unit. In the event that during the continuance of this Lease any reports with respect to Assessments involving the Units are required to be made, Lessee will either make such reports in such manner as to show the interest of Lessor in the Units or notify Lessor of such requirement and make such reports in a manner that shall be satisfactory to Lessor. Lessee shall, whenever requested by Lessor, submit to Lessor copies of returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to Lessor of Lessee's performance of its duties under this Section 8. Lessee shall also furnish promptly on request all data as Lessor shall reasonably require to permit Lessor's compliance with the requirements of taxing jurisdictions.

To the extent that Lessee is prohibited by law from performing in its own name the duties required by this Section 8, and only to such extent, Lessor hereby authorizes Lessee to act in Lessor's name and on its behalf; provided, however, that Lessee shall indemnify and hold Lessor harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith as a result of, or incident to, any action by Lessee pursuant to this authorization.

In the event that, during the continuance of this Lease, the Lessee shall become liable for the payment or reimbursement of any Assessments pursuant to this Section 8, such liability shall continue, notwithstanding the termination of this Lease, until all such impositions are paid or reimbursed by Lessee.

9. INDEMNIFICATION

Except as otherwise provided in this Lease, Lessee assumes liability for, and hereby agrees to indemnify, protect and keep harmless Lessor, its employees, agents, successors and assigns from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses, including reasonable attorney's fees, of whatsoever kind and nature, arising out of the possession, use, condition (including but not limited to, latent and other defects and whether or not discoverable by Lessee or Lessor), operation, ownership, selection, delivery, leasing or return of the Units or any Unit, regardless of where, how and by whom operated, and regardless of any failure on the part of Lessor to perform or comply with any conditions of this Lease other than acts of willful misconduct by Lessor. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the expiration or other termination of this Lease. Lessee is an independent contractor and nothing contained in this Lease shall authorize Lessee or any other person to operate any of the Units so as to incur or impose any liability or obligation for or on behalf of Lessor.

Lessor shall not be liable for any loss of or damage to any commodities loaded or shipped in the Units. Lessee agrees to assume responsibility for, to indemnify against, and to hold Lessor harmless from, any claim in respect of such loss or damage and to assume responsibility for any damage caused to any Unit by such commodities.

10. LESSOR'S PERFORMANCE OF LESSEE'S OBLIGATIONS

If Lessee shall fail to duly and promptly perform any of its obligations under this Lease with respect to the Units, Lessor shall have the option, but not the obligation, to perform any act or make any payment which Lessor deems necessary for the maintenance and preservation of the Units and Lessor's title thereto, including payments for satisfaction of liens, repairs, Assessments, levies and insurance and all sums so paid or incurred by Lessor, and any reasonable legal and accounting fees incurred by Lessor in connection therewith shall be additional rent under this Lease payable by Lessee to Lessor on demand. The performance of any act or payment by Lessor as aforesaid shall not be deemed a waiver or release of any obligation or default on the part of the Lessee, and Lessee shall continue to be liable for any such performance or payment by Lessor notwithstanding the expiration or earlier termination of this Lease.

11. INSURANCE

Lessee will, at its own expense, insure the Units at all times against all loss, damage or destruction and against loss or damage due to fire and risks normally included in extended coverage, malicious mischief and vandalism. Such insurance shall be the same as that secured by Lessee with respect to similar equipment owned or leased by Lessee and shall name Lessor as loss payee as its interests may appear. Alternatively, Lessee may self insure the Units against such loss or damage. Lessee shall notify Lessor in writing of its intent to self insure. Such election shall not relieve Lessee of any of its obligations under any other terms of this Lease, including specifically, but not limited to Section 12. Lessor hereby authorizes and empowers Lessee as agent for Lessor to negotiate, accept, reject, file and prosecute any claims including what otherwise would be the Lessor's claim, for any award or compensation on account of any loss of, damage to, destruction of, confiscation of, requisition or taking of any Unit, and to collect and retain the proceeds thereof to the extent such proceeds are in excess of Lessee's obligations under this Lease.

Lessee, at its own expense, shall carry general public liability insurance with respect to the Units to provide protection to the limit of not less than \$25,000,000 combined single limit. Such insurance policies shall name Lessor as Additional Insured thereunder. The proceeds of any general public liability shall be payable first to Lessor, to the extent of its liability, and thereafter, the balance, if any, to Lessee.

Any insurance which Lessee elects, or is required, to maintain under this Lease shall be satisfactory to Lessor in form, amount and Insurer, but Lessor shall not withhold said approval unreasonably. Such insurance shall provide that the insurance provided thereunder cannot be cancelled without thirty (30) days prior written notice to Lessor. Lessee shall provide Lessor with certificates of insurance or other documentation evidencing its due compliance with the requirements of this Section.

Prior to the expiration date of any policy of insurance maintained in connection with this Lease, Lessee shall provide Lessor with a certificate of insurance evidencing the acquisition of a new policy, or an extension or renewal of an existing policy, evidencing Lessee's due compliance with this Section.

12. RISK OF LOSS

Lessee assumes all risk of loss, damage, theft, condemnation or destruction of the Units. Except as provided in this Section 12, no such loss, damage, theft, condemnation or destruction of the Units, or any Unit, in whole or in part, shall impair the obligations of Lessee under this Lease, all of which shall continue in full force and effect. Whenever any Unit shall be or become worn out, lost, stolen, destroyed or damaged, from ordinary use, neglect, abuse, fire, the elements or any other cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being hereinafter called "Casualty Occurrences") during the Term of this Lease, Lessee shall, promptly after it shall have been determined that such Unit has suffered a Casualty Occurrence, but in any event within thirty (30) days after such Casualty Occurrence, notify Lessor in writing of such Casualty Occurrence. In the event any of the Units suffer a Casualty Occurrence, Lessee shall either (i) place the affected Units in good repair, condition and working order, (ii) on the date that the next installment of Base Rental is due, pay Lessor an amount equal to the accrued Gross Rental for such Units to the date of payment plus a sum equal to the settlement value of such Units, as determined pursuant to Rule 107 of the Interchange Rules of the Association of American Railroads. The balance of any recovery received by Lessee from insurance or otherwise for such Casualty Occurrence shall belong solely to Lessee.

After compliance by Lessee with the previous paragraph of this Section, to Lessor's satisfaction, this Lease shall terminate with respect to the Unit with respect to which the payment was made and the monthly rental payable under this Lease shall be reduced by an amount determined by reference to the per Unit per month amount set forth in Exhibit B.

For purposes of this Lease any Unit shall be deemed "destroyed" when its repair cannot be made through a commercial railcar repair service at a cost less than the A.A.R. Depreciated Value of the Item of Equipment, as outlined in Interchange Rule 107.

13. ANNUAL REPORTS

On or before March 1 of each year during the Term of this Lease, Lessee will furnish to Lessor, in such number of counterparts or copies as may reasonably be requested by Lessor, a Lessee's certificate, as of the preceding December 31, (i) showing the amount, description and numbers of Units then leased hereunder and the amount, description and numbers of all Units that may have suffered a Casualty Occurrence during the preceding twelve (12) months (or since the Commencement Date in the case of the first such Lessee's certificate), and such other information regarding the condition and state of repair of the Units as Lessor may reasonably request, (ii) stating that, in the case of all Units repaired or repainted during the period covered thereby, the markings required by Section 7 hereof have been preserved or replaced, and (iii) containing all other information in the possession of Lessee that is required to be filed by Lessor with any division of the Association of American Railroads, the Interstate Commerce Commission, the Department of Transportation, or, any other federal, state, administrative, legislative, judicial or governmental body having jurisdiction in the matter. Lessor shall have the right, but not the obligation, by its authorized representatives, to inspect the Units and the records of Lessee with respect thereto at such times as shall reasonably be necessary to confirm to Lessor the existence and proper maintenance of the Units during the continuance of this Lease.

14. LESSEE DEFAULT

Lessee shall be in default under this Lease upon the happening of any of the following events or conditions (hereinafter referred to as "Events of Default") during the term of this Lease:

(a) If Lessee fails to pay any sum required to be paid hereunder on or before the due date and such failure continues for a period of ten (10) consecutive days;

(b) If Lessee fails at any time to procure or maintain any insurance coverage required by this Lease;

(c) If Lessee fails to observe or perform any of the covenants, conditions and agreements on the part of Lessee to be observed or performed and contained herein (other than the payment of any sums required to be paid hereunder and other than the obligation to procure and maintain any insurance coverage required by this Lease) or any schedule or any supplement or rider hereto, and such default shall continue for thirty (30) days after receipt by Lessee of written notice of such default;

(d) If Lessee consents to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property, or shall admit in writing its inability to pay its debts generally as they become due, or shall make a general assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any bankruptcy law (now or hereafter in effect) or any answer admitting the material allegations of a petition filed against Lessee in any such proceedings, or Lessee shall by voluntary petition, answer or consent seek relief under the provisions of any now existing or future bankruptcy or other similar law providing for the reorganization or winding up of a business, or providing for an agreement, composition, extension or adjustment with its creditors;

(e) If an order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent to Lessee, a receiver, trustee or liquidator of Lessee or of any substantial part of its property, or sequestering any substantial part of the property of Lessee, or granting any other relief in respect of Lessee under the federal bankruptcy laws, any any other such order, judgment or decree of appointment or sequestration shall remain in force undismissed, unstayed or unvacated for a period of sixty (60) days after the date of entry thereof;

(f) If a petition against Lessee in a proceeding under the federal bankruptcy laws or other similar insolvency laws (as now or hereafter in effect) shall be filed and shall not be withdrawn or dismissed within sixty (60) days thereafter, or if, under the provisions of any law providing for reorganization or winding up of corporation which may apply to Lessee, any court of competent jurisdiction shall assume jurisdiction, custody or control of Lessee or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of sixty (60) days;

(g) If Lessee shall make or permit any unauthorized assignment or transfer of this Lease, the Units or any interest therein; or

(h) If any representation or warranty of Lessee contained in this Lease shall prove to be untrue or incorrect.

15. LESSOR'S REMEDIES

(a) Upon the occurrence of any one or more of the Events of Default specified in Section 14 above, and at any time thereafter (unless such Event of Default shall have been waived in writing by Lessor), Lessor may without any further notice exercise any one or more of the following remedies:

(i) Terminate this Lease as to any or all Units without relieving Lessee of any of its remaining obligations hereunder;

(ii) Take possession of the Units and for this purpose enter upon any premises of Lessee and remove the Units, without any liability or suit, action or other proceeding by Lessee and without relieving Lessee of any of its remaining obligations hereunder;

(iii) Cause Lessee, at its sole expense, to promptly return the Units to Lessor in accordance with the terms and provisions of Section 16 hereof;

(iv) Use, hold, sell, lease or otherwise dispose of the Units or any Unit on the premises of Lessee or any other location without affecting the obligations of Lessee as provided in this Lease;

(v) Sell or lease the Units or any Unit at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than ten (10) days prior to the date thereof shall constitute reasonable notice thereof to Lessee;

(vi) Proceed by appropriate action either at law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(vii) Exercise any other right accruing to Lessor any applicable law or in equity.

(b) If any Unit is sold, leased or otherwise disposed of pursuant to this Section 15, Lessee shall be liable to Lessor for and Lessor may recover from Lessee, as damages for the breach of this Lease, and not as a penalty, the amount by which the proceeds of such lease, sale or other disposition is less than the sum of:

(i) All due, unpaid and accrued Gross Rentals for such Unit as of the date of the Event of Default and all Gross Rentals to become due hereunder for the remainder of the term of this Lease; (ii) The actual value of such Unit as of the date of default by Lessee as determined by an independent appraiser to be appointed by Lessor; (iii) An amount equal to accrued Assessments and other amounts payable hereunder by Lessee with respect to such Unit; and

(iv) All costs, expenses, losses and damages incurred or sustained by Lessor by reason of such default including, without limitation, attorney's fees and appraisal fees. If on the date of termination or repossession pursuant to this Section 15, any Unit is damaged, lost, stolen or destroyed, or subject to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency, Lessee shall remain liable for the damages set forth in this Section 15 (b), less the amount of any insurance recovery received by Lessor in connection therewith.

(c) No right to remedy conferred on or reserved to Lessor by this Lease shall be exclusive of any other right or remedy herein or by law provided. All rights and remedies of Lessor conferred on Lessor by this Lease or by law shall be cumulative and in addition to every other right and remedy available to Lessor. No failure on the part of Lessor to exercise and no delay in exercising any right or remedy hereunder shall operate as a waiver thereof unless specifically waived by Lessor in writing; nor shall any single or partial exercise by the Lessor of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy. Notwithstanding anything in this Section to the contrary, in no event shall Lessor be entitled to recover an amount in excess of its direct, indirect, incidental and consequential damages arising from Lessee's breach of this Lease or a default under this Lease by Lessee, unless Lessee has committed fraud.

(d) In the event that either Party shall bring any action, proceeding, or suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such action, proceeding or suit such Party may recover reasonable expenses; including attorney's fees, and the amount thereof shall be included in such judgment. In the event that Lessor has incurred any expenses and attorney's fees in the successful enforcement of any of its rights hereunder after a default under this Lease by Lessee without having brought any action, proceeding or suit to so enforce any such right, then Lessor may recover from Lessee any reasonable expenses and attorney's fees so incurred.

(e) Promptly after Lessee has notice of any event that has occurred and is continuing which would constitute an Event of Default but for the requirement that notice be given or a time elapsed or both, Lessee shall give written notice thereof to Lessor.

16. RETURN OF UNITS

At the expiration of this Lease, or at the direction of Lessor pursuant to Section 15 of this Lease, Lessee shall forthwith deliver possession of the Units to the Lessor. Each Unit returned to the Lessor pursuant to this Section 16 shall (i) be in the same

or better operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, and (ii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, the Interstate Commerce Commission, the Department of Transportation, and any other legislative, administrative, judicial, regulatory or governmental body having jurisdiction in the matter. For the purpose of delivering possession of the Units to the Lessor as above required, Lessee shall, at its own cost, expense and risk:

(a) Forthwith remove any markings which indicate that Lessee has any interest in the Units and place the Units upon such storage tracks within 500 miles of Kansas City, Missouri as Lessor may reasonably designate for the purpose of conducting a joint inspection of the Units.

(b) Store such Units on such tracks at the risk of Lessee until such Units have been sold, leased or otherwise disposed of by the Lessor, provided, however, that Lessor shall not be entitled to free storage of such Units on such tracks for more than ninety (90) days after the termination of this Lease; and

(c) Transport the Units to any other place within 500 miles of Kansas City, Missouri as directed by Lessor.

The assembly, delivery, storage and transporting of the Units as hereinbefore provided shall be at the expense and risk of Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the matter, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee so to assemble, deliver, store and transport the Units. During any storage period, Lessee will permit Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of the Units or any Unit, to inspect the same.

Without in any way limiting the obligation of Lessee under the provisions of this Section 16, Lessee hereby irrevocably appoints Lessor as the agent and attorney of Lessee, with full power and authority, at any time, while the Lessee is obligated to deliver possession of any of the Units to Lessor, to demand and take possession of such Units in the name and on behalf of Lessee from whomsoever shall be at the time in possession of such Units. In connection therewith Lessee will supply Lessor with such documents as Lessor may reasonably request.

17. NOTICES

Any notice required or permitted to be given by either party hereto to the other shall be in writing and shall be deemed given when sent by United States Certified or Registered Mail, Return Receipt Requested, postage prepaid, addressed as follows:

TO LESSOR: The David J. Joseph Company
300 Pike Street
Cincinnati, Ohio 45202
Attention: RELM Division

TO LESSEE: Farmland Industries, Inc.
Post Office Box 7305
Kansas City, Missouri 64116-0005
Attention: Mr. Jeff Roberts

or at such other place as the parties hereto may from time to time designate by notice, each to the other. If the term "Lessee" as used in this Lease refers to more than one person or entity, any notice, consent, approval, request, bill demand or statement given as aforesaid to any one of such persons or entities shall be deemed to have been duly given to Lessee.

18. INVALID PROVISIONS

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.

19. MISCELLANEOUS PROVISIONS

(a) This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the Units and supersedes all other agreements, oral or written, with respect to the Units. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of Lessor and Lessee.

(b) This Lease may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

(c) The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Ohio; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Sec. 11303 and such additional rights arising out of the filing, recording or depositing hereof and of any assignment hereof or out of the marking on the Units as shall be conferred by the laws of the several jurisdictions in which this Lease or any assignment hereof shall be filed, recorded or deposited or in which any Unit may be located.

(d) No recourse shall be had in any respect of any obligation due under this Lease, or referred to herein, against any incorporator, stockholder, director or officer (past, present or future) of the Lessor or the Lessee.

(e) Lessee may not, by operation of law or otherwise, assign, transfer, pledge, hypothecate or otherwise dispose of this Lease or any interest herein, or sublet any of the Units, without Lessor's prior written consent. This Lease is freely assignable by Lessor, except to an entity whose primary business is petroleum refining (excluding major integrated oil companies), or the manufacture of fertilizer or animal feed, in which case Lessee's consent is required, and upon delivery to Lessee of notice of any assignment, the term "Lessor" as used herein shall refer to such assignee, and The David J. Joseph Company shall thereafter be relieved of all of its liabilities and obligations under this Lease.

(f) Nothing contained herein shall give or convey to Lessee any right, title or interest in and to the Units leased hereunder except as a lessee thereof, and the Units are and shall at all times be and remain the sole and exclusive property of Lessor.

(g) Any cancellation or termination of this Lease by Lessor, pursuant to the terms and provisions hereof, or any schedule, supplement, rider or amendment hereto, or any termination of the Term by lapse of time, shall not release Lessee from any then outstanding obligations and/or duties to Lessor hereunder.

(h) Time is of the essence of this Lease.

(i) It is expressly understood and agreed by the parties hereto that this instrument constitutes a lease of the Units only, and that no joint venture or partnership is being created.

(j) To the extent there exists any conflict between the terms and provisions of this Lease and the terms and provisions of the Interchange Rules or the Codes of Car Hire and Car Service Rules of the Association of American Railroads, this Lease shall control.

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

LESSOR:

Signed and acknowledged
in the presence of:

THE DAVID J. JOSEPH COMPANY

L K Baird
(As to Lessor)

BY: D. F. McMillan

Jo Ann Brems
(As to Lessor)

NAME: DOUGLAS F MCMILLAN

TITLE: VICE PRESIDENT

LESSEE:

Signed and acknowledged
in the presence of:

M. Roberts
(As to Lessee)

BY: Mark L. Baldwin

Randall Vance
(As to Lessee)

NAME: Mark L. Baldwin

TITLE: Director, Corporate Finance
Assistant Treasurer

APPROVED
AS TO
LEGAL FORM
[Signature]

STATE OF OHIO)
)
COUNTY OF)

SS:

The foregoing instrument was acknowledged before me this 26th
day of March, 1991, by Douglas F. McMillan, the
Vice President of The David J. Joseph Company, a Delaware
corporation, on behalf of the corporation.

Carolyn A. Trainor
Notary Public

CAROLYN A. TRAINOR
Notary Public, State of Ohio
My Commission Expires March 8, 1993

STATE OF MO)
))
COUNTY OF Clay)

SS:

The foregoing instrument was acknowledged before me this 18th
day of March, 1991, by Mark L Baldwin, the
Director, Corporate Finance +
Assistant Treasurer of Farmland Industries, Inc, a
_____, on behalf of the _____.

Deanna Harden
Notary Public

DEANNA HARDEN
NOTARY PUBLIC STATE OF MISSOURI
CLAY COUNTY
MY COMMISSION EXP FEB 3, 1992

EXHIBIT A

DESCRIPTION OF UNITS

(479) 100 ton, 1979 Hawker Siddeley, 4,650 Cubic Foot, Covered Hopper Cars, bearing reporting marks as follows:

FLIX 2000 - 2009
FLIX 2011 - 2081
FLIX 2083 - 2144
FLIX 2148 - 2160
FLIX 2162 - 2212
FLIX 2214 - 2244
FLIX 2246 - 2249
FLIX 2251 - 2253
FLIX 2255 - 2261
FLIX 2263 - 2281
FLIX 2283 - 2287
FLIX 2289 - 2307
FLIX 2309 - 2312
FLIX 2314 - 2331
FLIX 2333 - 2336
FLIX 2338 - 2354
FLIX 2356
FLIX 2358 - 2411
FLIX 2413 - 2486
FLIX 2488 - 2499

EXHIBIT B

BASE RENTAL

Base rental for each Unit shall be in the amount of per Unit per month (or a total monthly installment of for 479 Units; such total monthly installments shall be reduced by per Unit for any Units which have been deleted from this Lease because of destruction prior to the Commencement Date or pursuant to Section 12 of this Lease), in arrears, on the first day of the following month. Such monthly installments shall commence on the first day of the month following the first full calendar month of the lease and continue on the first day of each calendar month for the balance of the Term of this Lease plus a final payment immediately after the Term for rentals during the last calendar month of the Lease.