

# CHAPMAN AND CUTLER

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1877-1943  
Henry E. Cutler  
1879-1959

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Salt Lake City, Utah 84144  
(801) 533-0066

RECORDATION NO. 21118-E, F FILED

March 16, 1998

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RECEIVED  
SURFACE TRANSPORTATION  
BOARD

Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, D.C. 20423-0001

Re: NorRail, Inc. Leveraged Lease Financing  
of Railroad Rolling Stock  
(Second Closing)

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two copies of each of the documents described below. As an attorney representing one of the parties in this transaction, I have knowledge of the matters described in this letter.

The documents are as follows:

E → (1) Memorandum of Lease Supplement No. 2, dated March 16, 1998, between the Lessor and the Lessee; and

F → (2) Memorandum of Security Agreement Supplement No. 2, dated March 16, 1998, between the Debtor and the Security Trustee.

The primary documents to which the Memorandum of Lease Supplement No. 2 and the Memorandum of Security Agreement Supplement No. 2 are connected are the Memorandum of Lease and the Memorandum of Security Agreement, respectively, which were filed with the Surface Transportation Board on December 30, 1997.

*Documents -*

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

**E** MEMORANDUM OF LEASE SUPPLEMENT NO. 2

Lessor: Harris Trust and Savings Bank, not in its individual capacity,  
but solely as Owner Trustee under the Trust Agreement dated  
as of December 15, 1997  
311 West Monroe Street  
Chicago, Illinois 60603

Lessee: NorRail, Inc.  
308 Twelfth Avenue South  
Buffalo, Minnesota 55313

**F** MEMORANDUM OF SECURITY AGREEMENT SUPPLEMENT NO. 2

Debtor: Harris Trust and Savings Bank, not in its individual capacity,  
but solely as Owner Trustee under the Trust Agreement dated  
as of December 15, 1997  
311 West Monroe Street  
Chicago, Illinois 60603

Security Trustee: Wilmington Trust Company, not in its individual capacity,  
but solely as Security Trustee under the Security Agreement-  
Trust Deed dated as of December 15, 1997  
1100 North Market Street  
Wilmington, Delaware 19890-0001

The description of the Equipment covered as of the date hereof by the aforesaid Memorandum of Lease Supplement No. 2 and Memorandum of Security Agreement Supplement No. 2 is as set forth on Exhibit A hereto.

CHAPMAN AND CUTLER

A fee of forty-eight dollars (\$48.00) is enclosed. Please time and date stamp the enclosed copy of each of the enclosed documents along with the extra copy of this letter as proof of filing and recordation of the enclosed documents and return the original and any extra copies of such documents and this letter not needed by the Board for recordation to:

Sean T. Maloney, Esq.  
Chapman and Cutler  
111 West Monroe  
Chicago, Illinois 60603

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

**E** (1) MEMORANDUM OF LEASE SUPPLEMENT NO. 2:

Memorandum of Lease Supplement No. 2 between Harris Trust and Savings Bank, as Lessor, 311 West Monroe Street, Chicago, Illinois 60603 and NorRail, Inc., as Lessee, 308 Twelfth Avenue South, Buffalo, Minnesota 55313, dated March \_\_, 1998, covering railroad rolling stock bearing the road numbers listed in the exhibit thereto. Memorandum of Lease Supplement No. 2 is related to the Memorandum of Lease between the Lessor and the Lessee dated as of December 30, 1997, which was filed with the Surface Transportation Board on December 30, 1997.

**F** (2) MEMORANDUM OF SECURITY AGREEMENT SUPPLEMENT NO. 2:

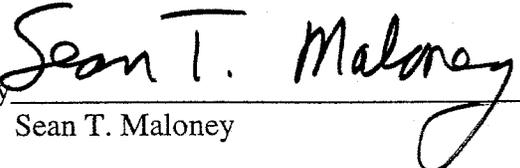
Memorandum of Security Agreement Supplement No. 2 between Harris Trust and Savings Bank, as Debtor, 311 West Monroe Street, Chicago, Illinois 60603 and Wilmington Trust Company, as Security Trustee, 1100 North Market Street, Wilmington, Delaware 19890-0001, dated March \_\_, 1998, covering the obligations of the Debtor relating to railroad rolling stock bearing road numbers listed in the exhibit thereto. The Memorandum of Security Agreement Supplement No. 2 is related to the Memorandum of Security Agreement between the Debtor and the Security Trustee, dated as of December 30, 1997, which was filed with the Surface Transportation Board on December 30, 1997.

CHAPMAN AND CUTLER

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-3844).

Sincerely,

CHAPMAN AND CUTLER

By   
Sean T. Maloney

STM/jem  
Enclosure

**EXHIBIT A**

EQUIPMENT	QUANTITY	ROAD NUMBERS
110 ton 52'6" (286,000 lb.) GRL mill gondola railroad cars manufactured in 1998 by Trinity Industries.	225	CH TT 286300 through CH TT 286524, inclusive
110 ton 52'6" (286,000 lb.) GRL mill gondola rail cars manufactured in 1997 by Trenton Works Ltd.	2	CR 585538 and CR 585699

RECORDATION NO. 21118-E FILED

MAR 16 '98

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MEMORANDUM OF LEASE SUPPLEMENT NO. 2

MEMORANDUM OF LEASE SUPPLEMENT NO. 2, made and entered into on March 16, 1998 by and between HARRIS TRUST AND SAVINGS BANK, an Illinois banking corporation, not in its individual capacity but solely as Owner Trustee under the Trust Agreement dated as of December 15, 1997, as Lessor (the "Lessor") and NORRAIL, INC., a Minnesota corporation, as Lessee (the "Lessee").

WITNESSETH:

1. The undersigned have entered into that certain Railcar Lease (the "Lease"), dated as of December 15, 1997, subject to the term defined in said Lease and that certain Lease Supplement No. 1 (the "Supplement No. 1") dated December 30, 1997.

2. A memorandum of said Lease and said Supplement No. 1 were recorded with the Surface Transportation Board on December 30, 1997 at 2:00 p.m. under recordation number 21118 and recordation number 21118-B, respectively, pursuant to Section 11301 of Title 49 of the United States Code.

3. The undersigned have entered into that certain Lease Supplement No. 2, dated March 16, 1998, whereby the terms and provisions of the above-described Lease are made applicable to certain railroad rolling stock bearing road numbers as listed on Exhibit A attached hereto.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

HARRIS TRUST AND SAVINGS BANK, not in its individual capacity but solely as Owner Trustee under the Trust Agreement dated as of December 15, 1997

By [Signature]  
Name: J. BARTOLINI  
Title: VICE PRESIDENT

Executed on this \_\_\_ day of March, 1998.

NORRAIL, INC.

By [Signature]  
Name: George W. Calver  
Title: Group Vice President & General Manager

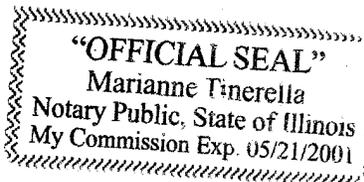
By [Signature]  
Name: BLAINE FILTHAUT  
Title: VICE PRESIDENT AND TREASURER

Executed on this \_\_\_ day of March, 1998.

STATE OF ILLINOIS )  
 ) SS.:  
COUNTY OF COOK )

On this, the 12 day of March, 1998, before me, a Notary Public in and for said County and State, personally appeared J. BARTOLINI, who being by me duly sworn, says that (s)he is the VICER PRESIDENT of HARRIS TRUST AND SAVINGS BANK, not in its individual capacity but solely as Owner Trustee under the Trust Agreement dated as of December 15, 1997, that said instrument was signed on March   , 1998 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation, as Owner Trustee.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



[Signature]  
Name: M. TINERELLA  
Notary Public  
My Commission Expires: 5-21-01  
Residing in Cook County, IL

Vermont  
STATE OF ~~ILLINOIS~~ )  
 ) SS.:  
COUNTY OF ~~COOK~~ )  
Chittenden

On this, the 10th day of March, 1998, before me, a Notary Public in and for said County and State, personally appeared George Galvin and Blaine Fullbright who being by me duly sworn, says that they are the VP and VPT Treasurer respectively of NORRAIL, INC., that said instrument was signed on March 10, 1998 on behalf of said corporation by authority of its Board of Directors, and acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

[Signature]  
Name: \_\_\_\_\_  
Notary Public  
My Commission Expires: 2/10/99  
Residing in Colchester, VT

**EXHIBIT A**

EQUIPMENT	QUANTITY	ROAD NUMBERS
110 ton 52'6" (286,000 lb.) GRL mill gondola railroad cars manufactured in 1998 by Trinity Industries.	225	CH TT 286300 through CH TT 286524, inclusive
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