

Counterpart - Kim Bentman

RECORDATION NO. 20902 FILED

SEP 30 '97 4-10PM

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ATTORNEYS AT LAW
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OF COUNSEL
URBAN A. LESTER

RECEIVED
SURFACE TRANSPORTATION
BOARD

SEP 30 4 06 PM '97

September 30, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Schedule No. 1 to Railcar Lease Agreement, dated as of September 30, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Lessor: The First National Bank of Maryland
25 South Charles Street
Baltimore, Maryland 21201

Lessee: NorRail, Inc.
308 12th Avenue South
Buffalo, Minnesota

A description of the railroad equipment covered by the enclosed document is:

30 covered coil gondola railcars bearing reporting marks and road numbers:

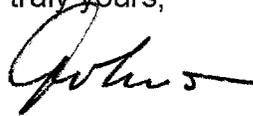
DRHY 001001 through DRHY 001030

Mr. Vernon A. Williams
September 30, 1997
Page 2

Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/bg
Enclosures

RECORDATION NO 20902 FILED

SEP 30 '97 4-10PM

THE FIRST NATIONAL BANK OF MARYLAND

MEMORANDUM OF SCHEDULE NO. 1 TO RAILCAR LEASE AGREEMENT

dated as of September 30, 1997

between

THE FIRST NATIONAL BANK OF MARYLAND,

as Lessor

and

NORRAIL, INC.

as Lessee

MEMORANDUM OF SCHEDULE NO. 1 TO MASTER RAILCAR LEASE AGREEMENT

THIS MEMORANDUM OF SCHEDULE NO. 1 TO MASTER RAILCAR LEASE AGREEMENT is made and entered into as of September 30, 1997 by and between THE FIRST NATIONAL BANK OF MARYLAND, a national banking association ("Lessor"), and NORRAIL, INC., a Minnesota corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, certain railcars as described on Exhibit A attached hereto and made a part hereof, all as more particularly described in that certain Schedule No. 1 dated September 30, 1997 between Lessor and Lessee to the Master Railcar Lease Agreement dated as of September 30, 1997 between Lessor and Lessee (collectively, the "Lease").
2. The Lease shall be effective as of the execution date thereof and the term of the Lease with respect to each car shall be as set forth in Schedule No. 1.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Schedule No. 1 to Railcar Lease Agreement to be executed as of the date first above written.

THE FIRST NATIONAL BANK OF MARYLAND,
Lessor

By: Richard M. Folio

Name: Richard M. Folio
Title: Vice President

NORRAIL, INC., Lessee

By: _____

Name:
Title:

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

On this 27th day of September, 1997 before me appeared, Richard M. Folio, to me personally known, who being by me duly sworn, says that he is an Vice President of THE FIRST NATIONAL BANK OF MARYLAND, a national banking association, that the seal affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on September 21, 1997 on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Michele E. Sperato
Notary Public

[Notarial Seal]

My commission expires: January 28, 2001

STATE OF _____, CITY OF _____, TO WIT:

On this 30th day of September, 1997 before me appeared, _____, to me personally known, who being by me duly sworn, says that he is a _____, of NorRail, Inc., a Minnesota corporation, that said instrument was signed and sealed on September 30, 1997 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My commission expires:

MEMORANDUM OF SCHEDULE NO. 1 TO MASTER RAILCAR LEASE AGREEMENT

THIS MEMORANDUM OF SCHEDULE NO. 1 TO MASTER RAILCAR LEASE AGREEMENT is made and entered into as of September 30, 1997 by and between THE FIRST NATIONAL BANK OF MARYLAND, a national banking association ("Lessor"), and NORRAIL, INC., a Minnesota corporation ("Lessee"), with reference to the following:

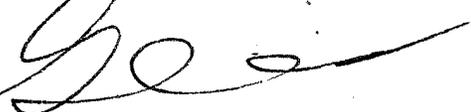
1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, certain railcars as described on Exhibit A attached hereto and made a part hereof, all as more particularly described in that certain Schedule No. 1 dated September 30, 1997 between Lessor and Lessee to the Master Railcar Lease Agreement dated as of September 30, 1997 between Lessor and Lessee (collectively, the "Lease").
2. The Lease shall be effective as of the execution date thereof and the term of the Lease with respect to each car shall be as set forth in Schedule No. 1.

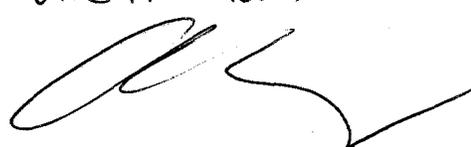
IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Schedule No. 1 to Railcar Lease Agreement to be executed as of the date first above written.

THE FIRST NATIONAL BANK OF MARYLAND,
Lessor

By: _____
Name: Richard M. Folio
Title: Vice President

NORRAIL, INC., Lessee

By: 
Name: George Calver
Title: Vice President


ANDREW BARANOWSKY
ASSISTANT TREASURER

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

On this 30th day of September, 1997 before me appeared, Richard M. Folio, to me personally known, who being by me duly sworn, says that he is an Vice President of THE FIRST NATIONAL BANK OF MARYLAND, a national banking association, that the seal affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on September 30, 1997 on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

[Notarial Seal]

Notary Public

My commission expires:

STATE OF Vermont CITY OF Colchester TO WIT:

On this 30th day of September, 1997 before me appeared George Calhoun to me personally known, who being by me duly sworn, says that he is a V. President of NorRail, Inc., a Minnesota corporation, that said instrument was signed and sealed on September 30, 1997 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

Jane LaBrange

Notary Public

My commission expires: 2/10/99

DESCRIPTION OF RAILCARS

Thirty (30) Thrall-built, single trough covered coil gondola railcars bearing the following reporting marks and numbers: DRHY 001001 through DRHY 001030.