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SURFACE TRANSPORTATION
BOARD

Nov 13 10 58 AM '97

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

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

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

November 10, 1997

RECORDATION NO. 21001 FILED

NOV 13 '97 10-58AM

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two originals of Memorandum of Railcar Lease Agreement dated as of October 20, 1997, a primary document as defined in the Board's Rules for Recordation of Documents.

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

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

Lessee: CSX Transportation , Inc.
500 Water Street
Jacksonville, FL 32202
Phone: 904-359-1105

The Memorandum of Railcar Lease Agreement covers 300 Covered Hoppers identified in Exhibit A to the Memorandum of Railcar Lease Agreement. Enclosed is our check in the amount of $24.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one stamped copy of the enclosed document to the undersigned. If you have any questions or require any further information in connection with this filing, please contact the undersigned at 612-557-0215.

Very truly yours,

Bradley C. Gunstad

Bradley C. Gunstad
Vice President & General Counsel
Enclosures

FORMS/STB

MEMORANDUM OF RAILCAR LEASE AGREEMENT

THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of ~~September~~ October 20, 1997 by and between NorRail, Inc., a Minnesota Corporation ("Lessor") and CSX Transportation, Inc., a Florida Corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor various railcars pursuant to one or more Schedules to the Lease to be entered into by Lessor and Lessee from time to time, all as more particularly described in that certain Railcar Service and Lease Agreement No. 1757 dated ~~September~~ October 20, 1997 between Lessor and Lessee (hereinafter referred to as the "Lease").

2. Pursuant to Schedule No. 1 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor the 300 - 110 Ton, 52' 6" Fixed End, Steel Floor Gondolas bearing the reporting marks and road numbers indicated on Exhibit A hereto, all as more particularly described in the Lease.

3. The Lease shall be effective as of the execution date thereof and shall be subject to the term of the Lease, as provided therein.

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

Lessee: NORRAIL, INC.	Lessor: CSX TRANSPORTATION, INC.
By: Russell D Adams	By:
Its: Vice President	Its: AVP Car Management
By:	By:
Its: VP + General Counsel	Its:

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EXHIBIT A
To
MEMORANDUM OF RAILCAR LEASE AGREEMENT

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STATE OF Florida, COUNTY OF Duval TO WIT:

On this 7th day of November, 1997 before me personally appeared, F. S. Onimus and _____, to me personally known, who being by me duly sworn, says that they are the AVP Car Mgm and _____, respectively of _____ CSXT, Inc., a Virginia Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)

HELEN W. BAXTER
MY COMMISSION # CC 456130
EXPIRES: April 27, 1999
Bonded Thru Notary Public Underwriters

Helen W. Baxter
Notary Public

My commission expires: 4/27/99

STATE OF MINNESOTA, COUNTY OF WRIGHT TO WIT:

On this 27th day of October, 1997 before me personally appeared, Russell S. Adams and Bradley C. Gunstad, to me personally known, who being by me duly sworn, says that they are the Vice President and V.P. + General Counsel, respectively of NorRail, Inc. a Minnesota Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)

GAIL M. BLAGSVEDT
NOTARY PUBLIC - MINNESOTA
WRIGHT COUNTY
My commission expires 1-31-2000

Gail M. Blagsvedt
Notary Public

My commission expires: 1-31-2000