

**OSTER**  
**Researching Services**

12897 Colonial Dr. • Mt. Airy, Md. 21771  
301-253-6040

*Counterparts - down side*

*18976-BB*

*AUG 23 10 37 AM '96*

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

August 23, 1996

Mr. Vernon Williams  
Secretary  
Surface Transportation Board  
12th & Constitution Avenue, N.W.  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recording with the Surface Transportation Board is a Subordination of Security Interest dated 7/29/96 between the following parties:

Lender: Norwest Equipment Finance, Inc.  
733 Marquette Avenue  
Minneapolis, MN 55479

Secured Party: Norwest Bank Minnesota, N.A.  
6th & Marquette Avenue  
Minneapolis, MN 55479

Debtor: NorRail, Inc.  
308 12th Avenue South  
Buffalo, MN 55313

The equipment is listed on Schedule A to the Subordination of Security Interest.

Please record this agreement as a secondary document to STB Recordation #18976. The filing fee of \$21 is enclosed. Thank you for your assistance.

Sincerely,

*Mary Ann Oster*

Mary Ann Oster  
Research Consultant

Enclosures

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C. 20427-0001

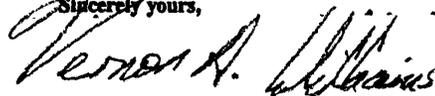
3/23/96

Mary Ann Oster  
Research Consultant  
Oster Researching Services  
12897 Colonial Dr.,  
Mt. Airy, MD., 21771

Dear Madam:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 8/23/96 at 10:40 AM, and 10:45AM assigned recordation number(s). 18976-BB and 20242.

Sincerely yours,

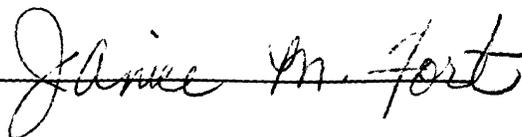


Vernon A. Williams  
Secretary

Enclosure(s)

\$ 42.00 The amount indicated at the left has been received in payment of a fee in connection with document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had opportunity to examine your document.

Signature



18976-BB

**SUBORDINATION OF SECURITY INTEREST**

THIS SUBORDINATION OF SECURITY INTEREST ("Subordination") is made as of July 29, 1996 by Norwest Bank Minnesota, N.A. (the "Secured Party"), for the benefit of NorRail, Inc., a Minnesota Corporation (the "Debtor"), to induce Norwest Equipment Finance, Inc., a Minnesota Corporation (the "Lender") to make a loan to Debtor.

1. Recitals

- A. Secured Party and Debtor entered into a Security Agreement dated as of June 24, 1994 (the "Agreement") pursuant to which the Secured Party acquired a security interest in each and every railroad car of every type, kind, name or description then owned by Debtor or thereafter acquired. The Agreement is on file at the Surface Transportation Board, F/K/A Interstate Commerce Commission under Recordation No. 18976 filed on September 8, 1994 at 3:45PM.
- B. Debtor has requested and Lender has agreed to extend credit to Debtor provided Lender has a first priority security interest in the railroad cars more specifically described on Schedule A attached hereto (the "Units").
- C. To induce Lender to extend credit to Debtor, Secured Party has agreed to subordinate its security interest in the Units to the security interest of the Lender.

2. Subordination

The Secured Party's security interest in the Units shall be and is hereby subordinate, inferior and subject to any security interest in the Units that Lender, its successors or assigns may now have or hereafter acquire.

IN WITNESS THEREOF, the Secured Party, pursuant to due authority, has executed this Subordination on the date indicated below its signature.

NORWEST BANK MINNESOTA, N.A.

By: 

Its: X VP

Date: X 8-14-96

**SCHEDULE "A"**  
to Security Agreement dated July 29, 1996  
(Loan No. 23167-701)

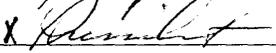
Debtor: NorRail, Inc.

Railcar Description	Identification Number
Class LO 5250 cu. ft. Covered Hoppers	DYLX1142, DYLX1101, DYLX1103, DYLX1107, DYLX1110, DYLX1114, DYLX1126, DYLX1127, DYLX1130, DYLX1132, DYLX1135, TEIX5250, TEIX5251

Dated: July 29, 1996

Debtor: NorRail, Inc.

By: 

Its: 

Corporate Form of Acknowledgment

State of MINNESOTA  
County of HENNEPIN ss:

On this 14<sup>TH</sup> day of AUGUST, 1996 before me personally appeared ANDREW A. CHRISTENSEN to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT of NORWEST BANK MINNESOTA, N.A., that the foregoing Instrument was signed by him 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]

Emmanuel S. Diaz  
Signature of notary public

My commission expires Jan. 31, 2000

