

DONELAN, CLEARY, WOOD & MASER, P.C.

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October 13, 1995

19514-D
OCT 13 1995 8:00 AM

Via Hand Delivery

Honorable Vernon A. Williams
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Secretary Williams:

Enclosed for recordation, under the provisions of 49 U.S.C. § 11303(a) and the regulations promulgated thereunder are executed original counterparts of Subordination of Options, Rights of First Refusal and Remarketing Rights (the "Subordination") by The David J. Joseph Company to and in favor of Aid Association for Lutherans, a secondary document, dated as of August 23, 1995, relating to that certain Memorandum of Options, Rights of First Refusal and Remarketing Rights, dated as of June 29, 1995, between The David J. Joseph Company as seller, and The First National Bank of Maryland, as buyer, and which was recorded with the Commission under Recordation No. 19514-A. The enclosed Subordination should be assigned the next available letter designation which we believe is 19514-D.

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

SUBORDINATOR	-	The David J. Joseph Company 300 Pike Street Cincinnati, Ohio 45202
SUBORDINATEE	-	Aid Association for Lutherans 4321 North Ballard Road Appleton, Wisconsin 54919-0001

The covered hopper railcars covered by the enclosed Subordination are described in Schedule I to the said Memorandum of Options, Rights of First Refusal and Remarketing Rights.

Also enclosed is a remittance in the amount of \$21.00 for the required recording fee.

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

"Subordination of Options, Rights of First Refusal and Remarketing Rights by The David J. Joseph Company in favor of Aid Association for Lutherans, dated as of August 23, 1995, relating to the covered hopper railcars as identified in the Memorandum of Options, Rights of First Refusal and Remarketing Rights, recorded under Recordation No. 19514-A."

Counterparts - J. M. M.

19514-D
AUG 23 1995 AM

**SUBORDINATION OF OPTIONS, RIGHTS OF FIRST REFUSAL
AND REMARKETING RIGHTS**

This Subordination Agreement is submitted as of the 23rd day of August, 1995 by The David J. Joseph Company, a Delaware corporation ("DJJ"), to Aid Association for Lutherans ("Lender").

WITNESSETH

WHEREAS, DJJ and The First National Bank of Maryland ("Borrower") are parties to that certain Purchase and Sale Agreement dated as of June 29, 1995 (the "Purchase Agreement") pursuant to which the Borrower purchased DJJ's entire right, title and interest in and to the railroad cars identified on Schedule I attached hereto (collectively, the "Railcars");

WHEREAS, certain of the Railcars are subject to the Lease identified on Schedule I (the "Lease");

WHEREAS, in connection with the transactions contemplated by the Purchase Agreement, Borrower granted DJJ certain options, rights of first refusal and remarketing rights, a Memorandum of which has previously been filed with the Interstate Commerce Commission and assigned Recordation No. 19514-A, and which are referred to in Bills of Sale issued pursuant to the Purchase Agreement; and

WHEREAS, to permit Borrower to obtain extensions of credit from Lender and to induce Lender to extend credit to Borrower, the repayment of which is to be secured by, *inter alia*, the Railcars and the Lease, DJJ and Lender have agreed to enter into this Subordination Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the parties agree as follows:

1. DJJ hereby subordinates to Lender and to its successors and assigns, all of the options, rights of first refusal and remarketing rights granted DJJ by Borrower pursuant to the Purchase Agreement and any and all other options, rights of first refusal, remarketing rights and all other rights which DJJ may have or hereafter acquire from Borrower with respect to the Railcars;

2. DJJ hereby further agrees that in the event any Event of Default under any agreement relating to Lender's extension of credit to Borrower occurs which results in Lender foreclosing its liens and security interests in the Railcars or selling or otherwise disposing of the Railcars to a purchaser for value in connection with such foreclosure or other proceedings to collect amounts owed to Lender pursuant to such extensions of

credit, Lender and any such purchaser shall take such Railcars free and clear of all such options, rights, interests and all other rights;

3. Nothing herein shall be deemed or construed to in any way limit, restrict or otherwise affect the obligations of Borrower to DJJ with respect to such rights, options, right of first refusal, remarketing rights and/or other rights.

IN WITNESS WHEREOF, DJJ has executed this Subordination Agreement as of the date and year first above written.

WITNESS:

Linda M. Baughman

THE DAVID J. JOSEPH COMPANY

By: Douglas F. McMillan
Douglas F. McMillan
Vice President

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On this 23rd day of August, 1995, before me the subscriber, Julia R. Jones, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Douglas F. McMillan to me personally known, who stated and acknowledged that he is the Vice President of The David J. Joseph Company, a Delaware corporation, and duly authorized by authority of the Board of Directors or by-laws of said corporation in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said corporation and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 23rd day of August, 1995.

Julia R. Jones
(Notary Signature)



JULIA R. JONES
Notary Public, State of Ohio
My Commission Expires Feb. 27, 2000

My commission expires:

2-27-2000

SCHEDULE I

DESCRIPTION OF UNITS

Four hundred seventy-two (472), railcars bearing reporting marks as follows:

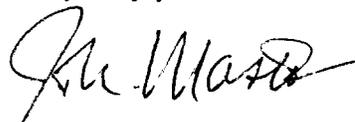
CNW 460500 - CNW 460971, INCLUSIVE

DONELAN, CLEARY, WOOD & MASER, P.C.

Letter to Honorable Vernon A. Williams
October 13, 1995
Page 2

Once the filing has been made, please return to bearer the stamped counterparts not needed for your files, together with the fee receipt, the letter from the ICC acknowledging the filing, and the extra copies of this letter of transmittal.

Very truly yours,



John K. Maser III
*Attorney for purposes of this filing for
The David J. Joseph Company and
Aid Association for Lutherans*

Enclosures

0970-020