

OSTER
Researching Services

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301-253-6040

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May 13, 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 Bill of Sale dated 5/8/96 between the following parties:

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

Purchaser: FBS Business Finance Corporation
601 Second Avenue South
Minneapolis, MN 55402

The equipment included in this agreement is listed on the attached
Exhibit A.

Please record this agreement as a secondary document to STB
Recordation #19740. The filing fee of \$21 is enclosed.

Thank you for your assistance.

Sincerely,

Mary Ann Oster

Mary Ann Oster
Research Consultant

Enclosures

Counter part - Mary Ann Oster

19740-011

BILL OF SALE

KNOW ALL PEOPLE BY THESE PRESENTS: that NORRAIL, INC., a Minnesota corporation (the "Seller"), in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration more fully described in that certain Purchase and Sale Agreement, dated May 08, 1996 (the "Purchase Agreement"), the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, and assign to FBS BUSINESS FINANCE CORPORATION, a Delaware corporation (the "Purchaser"), the following described goods, chattels, and intangible personal property (together the "Assets"):

All of Seller's right, title, and interest in certain items of railroad equipment described in Exhibit A hereto (the "Equipment") which has been leased to Dakota, Minnesota & Eastern Railroad Corporation pursuant to the terms of that certain Master Lease Agreement dated November 15, 1995 (the "Lease"), together with all of Seller's right, title, and interest in the Lease and related Contract Rights and Accounts (as defined in the Purchase Agreement).

TO HAVE AND TO HOLD the Assets unto Purchaser, its successors and assigns, forever.

Seller, on its own behalf, and on behalf of its successors and assigns, does hereby covenant, warrant, represent to, and agree with Purchaser (i) that it is the lawful owner of the Assets; (ii) that the Assets are free and clear of all claims, liens, charges, encumbrances, and security interests; (iii) that it has the full right and authority to sell and transfer the Assets to Purchaser; (iv) that the within sale and transfer of the Assets to Purchaser, separately and on a combined basis, does not violate any contract, agreement, or other instrument to which Seller is party or by which Seller or the Assets are bound, nor any provision of applicable law, and that all preconditions thereto have been fully complied with and performed by or on behalf of Seller. Seller hereby further covenants and binds itself, its successors, and assigns, against every person or entity claiming or laying claim to the Assets or any right thereof and to defend, hold harmless, and indemnify Purchaser, its successors and assigns, from and against any and all losses, damages, and expenses (including reasonable attorneys' fees for defense thereof, or for enforcement of this covenant) resulting or arising from the assertion of any such claim or cause of action against Purchaser, its successors and assigns, or against the Assets or any item or part thereof, except as so subject.

Seller agrees that at any time and from time to time, upon the written request of Purchaser, Seller will promptly and duly execute and deliver or cause to be executed and delivered on its behalf any and all such further instruments and documents and take such further action as Purchaser may reasonably request in order to obtain the full benefits of this Bill of Sale and of the rights and powers herein granted.

IN WITNESS WHEREOF, Seller has executed these presents as of the 8th
day of May, 1996.

NORRAIL, INC.

By

Its

Russell J. Adams
Vice President

LIST OF EQUIPMENT

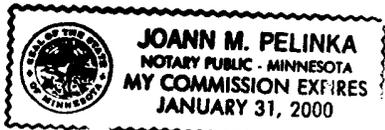
<u>Old Car #</u>	<u>New Car #</u>	<u>Old Car #</u>	<u>New Car #</u>	<u>Old Car #</u>	<u>New Car #</u>
CR 889465	DME 47180	CR 887148	DME 47231	CR 887038	DME 47211
CR 887202	DME 47233	CR 886141	DME 46105	CR 888575	DME 47112
CR 887309	DME 47247	CR 886284	DME 46106	CR 887272	DME 47250
CR 887516	DME 47288	CR 886011	DME 46111	CR 890835	DME 47142
CR 887686	DME 47276	CR 887171	DME 47244	CR 887624	DME 47270
CR 887750	DME 47277	CR 888508	DME 47099	CR 886632	DME 47084
CR 889973	DME 47000	CR 890856	DME 47150	CR 889934	DME 47184
CR 889193	DME 47196	CR 886602	DME 47051	CR 888499	DME 47089
CR 888273	DME 47173	CR 888564	DME 47060	CR 887756	DME 47271
CR 886082	DME 46104	CR 890855	DME 47152	CR 890851	DME 47124
CR 887417	DME 47266	CR 888452	DME 47078	CR 887638	DME 47283
CR 887628	DME 47284	CR 890877	DME 47061	CR 890905	DME 47080
CR 887676	DME 47182	CR 890944	DME 47138	CR 887465	DME 47259
CR 887275	DME 47229	CR 890909	DME 47126	CR 888434	DME 47081
CR 889971	DME 47001	CR 886597	DME 47109	CR 887233	DME 47207
CR 887779	DME 47289	CR 886590	DME 47111	CR 890953	DME 47157
CR 887449	DME 47264	CR 890862	DME 47149		

STATE OF Minnesota

COUNTY OF WRIGHT

On this 8th day of May, 1996, before me personally came Russell S. Adams to me known, who, being by me duly sworn, did depose and say that he is the V.P. Sales of Noe Rail, Inc, a MN corporation, and he acknowledged to me that he executed the foregoing document on behalf of said corporation by order of its Board of Directors and that such document was the free act and deed of said corporation.

Witness my hand and official seal.



Joann M. Pelinka
Notary Public in and for said State

My commission expires: 1/31/2000