

RECEIVED
SURFACE TRANSPORTATION
BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.
SUITE 200

DEC 23 12 48 PM '98

WASHINGTON, D.C.
20006-2973
(202) 393-2266
FAX (202) 393-2156

RECORDATION NO. 21896 FILED OF COUNSEL
URBAN A. LESTER

DEC 23 '98 12-50 PM

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

December 23, 1998

RECORDATION NO. 21896-A, B, C, D FILED

DEC 23 '98 12-50 PM

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

Re: NorRail (1998A-1)

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are six (6) copies of a Memorandum of Lease Agreement (1998A-1), dated as of December 22, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents; and six (6) copies of each of the following secondary documents related thereto: a Memorandum Lease Supplement (1998A-1) No. 1, dated December 23, 1998, Trust Indenture and Security Agreement (1998A-1), dated as of December 22, 1998, Indenture Supplement (1998A-1) No. 1, dated December 23, 1998 and Lease Assignment (1998A-1), dated as of December 22, 1998.

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

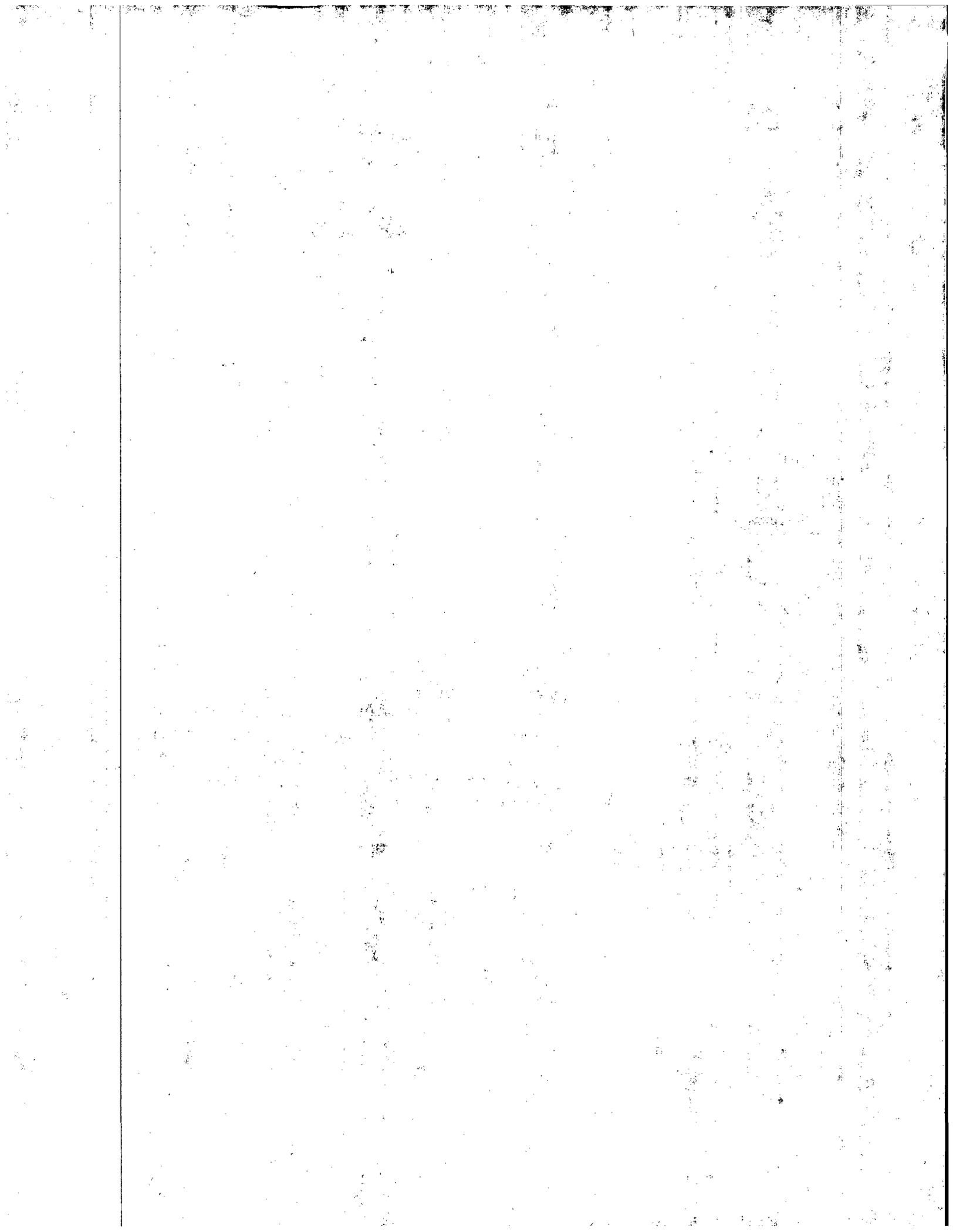
Lease Agreement
Lease Supplement No. 1

Owner Trustee/Lessor: First Omni Bank, National Association
499 Mitchell Street
Millsboro, Delaware 19966

Lessee: NorRail, Inc.
308 12th Avenue South
Buffalo, Minnesota 55313

Countryparts - Galt.

*A
B
C*



Mr. Vernon A. Williams
December 23, 1998
Page 2

Indenture and Security Agreement
Indenture Supplement No. 1 *e*
and Lease Assignment *D*

Owner Trustee/ Assignor: First Omni Bank, National Association
499 Mitchell Street
Millsboro, Delaware 19966

Indenture Trustee/ Assignee: Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

A description of the railroad equipment covered by the enclosed documents is set forth on Exhibit A attached hereto.

Also enclosed is a check in the amount of \$130.00 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,



Robert W. Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

OFFICE OF THE SECRETARY

Date: 12/23/98

Robert W. Alvord
Alvord And Alvord
918 Sixteenth St., NW., Ste. 200
Washington, DC., 20006-2973

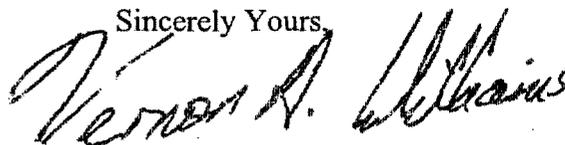
Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301

and 49 CFR 1177.3(c), on 12/23/98 at 12:50 PM , and

assigned recordation number(s). 21896, 21896-A, 21896-B, 21896-C, 21896-D,
21897, 21897-A, 21897-B, 21897-C and 21897-D.

Sincerely Yours,



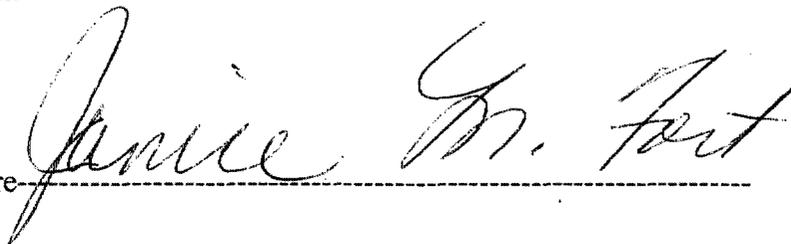
Vernon A. Williams

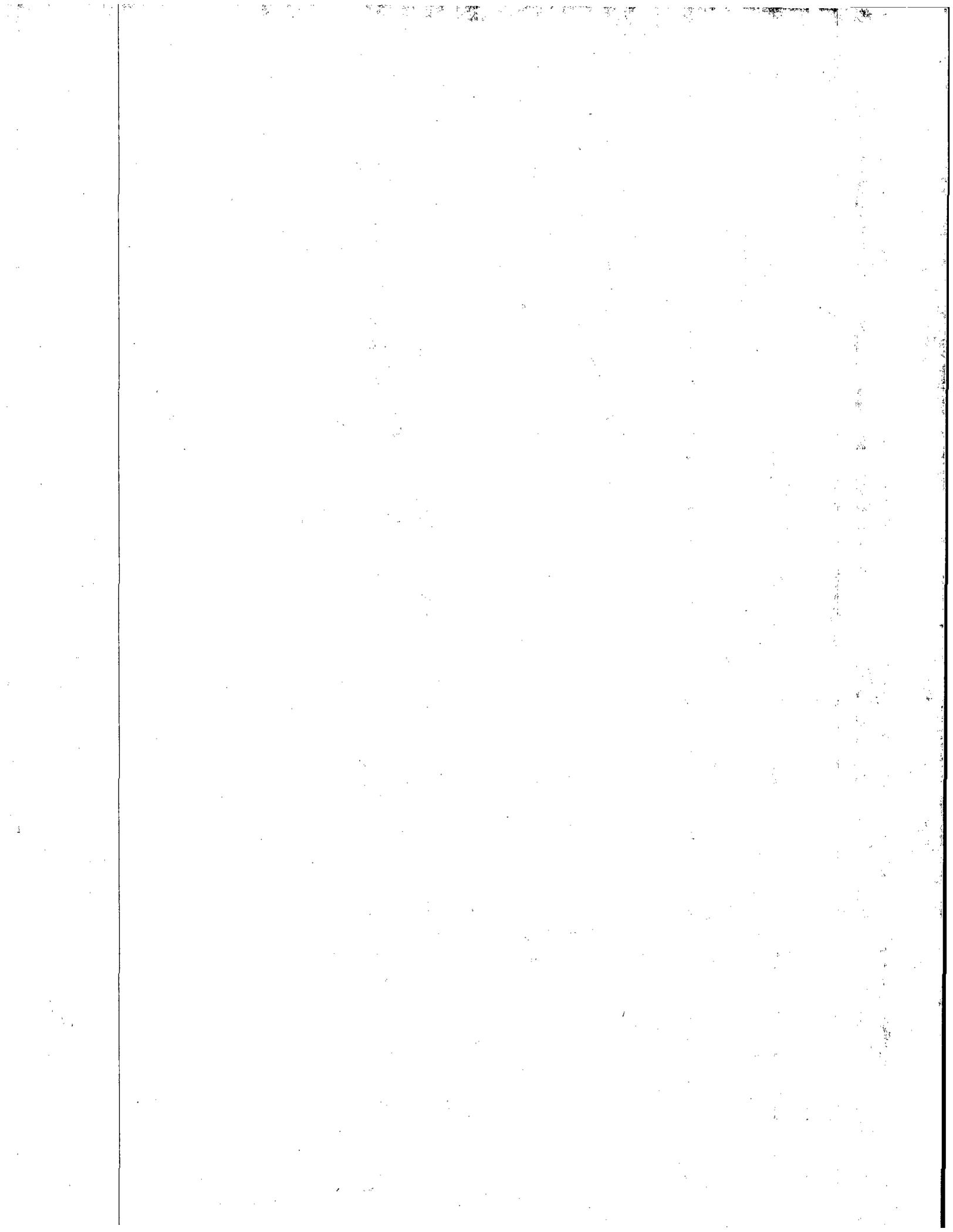
Enclosure(s)(10)

260.00

\$_____ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature _____





MEMORANDUM OF INDENTURE SUPPLEMENT (1998A-1) NO. 1

MEMORANDUM OF INDENTURE SUPPLEMENT (1998A-1) NO. 1, made and entered into December 22, 1998 by and between FIRST OMNI BANK, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as Owner Trustee under the Trust Agreement (1998A-1) dated as of December 22, 1998, as Owner Trustee (the "Owner Trustee") and WILMINGTON TRUST COMPANY, a Delaware banking corporation, as Indenture Trustee (the "Indenture Trustee").

WITNESSETH:

1. The undersigned have entered into that certain Indenture and Security Agreement (1998A-1) (the "Indenture"), dated as of December 22, 1998, by which the Owner Trustee has granted a security interest to the Indenture Trustee in order to secure the Owner Trustee's performance of certain obligations as described in the Indenture.

2. A memorandum of said Indenture is being recorded with the Surface Transportation Board concurrently herewith pursuant to Section 11301 of Title 49 of the United States Code.

3. The undersigned have entered into that certain Indenture Supplement (1998A-1) No. 1, dated December 23, 1998, relating to the above-described Indenture and extending the Owner Trustee's grant of a security interest therein to railroad rolling stock bearing road numbers as listed on Exhibit A attached hereto.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

FIRST OMNI BANK, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee under the Trust Agreement (1998A-1) dated as of December 22, 1998.

By: Robert D. Brown
Name: Robert D. Brown
Title: Vice President

WILMINGTON TRUST COMPANY
not in its individual capacity but
solely as Indenture Trustee
By: _____
Name:
Title:

STATE OF)
) SS.: MARYLAND
CITY OF) BALTIMORE

On this, the 21st day of December, 1998, before me, a Notary Public in and for said City and State, personally appeared Robert S. Brown who being by me duly sworn, says that (s)he is the Vice President of FIRST OMNI BANK NATIONAL ASSOCIATION, not in its individual capacity, but solely as Owner Trustee under the Trust Agreement (1998A-2) dated as of December 22, 1998, that said instrument was signed on December 21, 1998 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation, as Owner Trustee.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



Deborah K. Bailey

Name: Deborah K. Bailey
Notary Public
My Commission Expires: 4/13/2002
Residing in Baltimore City

MEMORANDUM OF INDENTURE SUPPLEMENT (1998A-1) NO. 1

MEMORANDUM OF INDENTURE SUPPLEMENT (1998A-1) NO. 1, made and entered into December 23, 1998 by and between FIRST OMNI BANK, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as Owner Trustee under the Trust Agreement (1998A-1) dated as of December 22, 1998, as Owner Trustee (the "Owner Trustee") and WILMINGTON TRUST COMPANY, a Delaware banking corporation, as Indenture Trustee (the "Indenture Trustee").

WITNESSETH:

1. The undersigned have entered into that certain Indenture and Security Agreement (1998A-1) (the "Indenture"), dated as of December 22, 1998, by which the Owner Trustee has granted a security interest to the Indenture Trustee in order to secure the Owner Trustee's performance of certain obligations as described in the Indenture.

2. A memorandum of said Indenture is being recorded with the Surface Transportation Board concurrently herewith pursuant to Section 11301 of Title 49 of the United States Code.

3. The undersigned have entered into that certain Indenture Supplement (1998A-1) No. 1, dated December 23, 1998, relating to the above-described Indenture and extending the Owner Trustee's grant of a security interest therein to railroad rolling stock bearing road numbers as listed on Exhibit A attached hereto.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

FIRST OMNI BANK, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee under the Trust Agreement (1998A-1) dated as of December 22, 1998.

By: _____
Name:
Title:

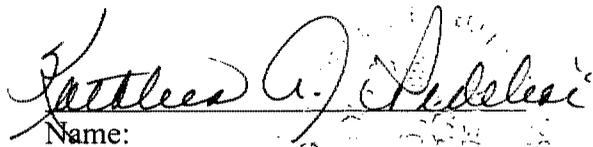
WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Indenture Trustee

By: _____
Name: **JAMES P. LAWLER**
Title: **Vice President**

STATE OF
Delaware)
) SS.:
COUNTY OF
New Castle

On this, the 21st day of December 1998, before me, a Notary Public in and for said County and State, personally appeared James P. Lawler, who being by me duly sworn, says that (s)he is the Vice President of WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Indenture Trustee, that said instrument was signed on December __, 1998 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.


Name: _____
Notary Public
My Commission Expires: _____
Residing in _____

KATHLEEN A. PEDELINI
NOTARY PUBLIC-DELAWARE
My Commission Expires Oct. 31, 2002

EXHIBIT A

Equipment	Quantity	Road Numbers
73' (286,000 lb.) Center Beam Bulkhead Flatcars manufactured in 1998 by Gunderson	100	HLSC 002250 through HLSC 002349, inclusive
73' (286,000 lb.) Center Beam Bulkhead Flatcars manufactured in 1997 by Gunderson	24	HLSC 002350 through HLSC 002373, inclusive
73' (286,000 lb.) Center Beam Bulkhead Flatcars manufactured in 1997 by Gunderson	10	HLSC 002375 through HLSC 002384, inclusive
73' (286,000 lb.) Center Beam Bulkhead Flatcars manufactured in 1997 by Gunderson	14	HLSC 002386 through HLSC 002399
73' (286,000 lb.) Center Beam Bulkhead Flatcars manufactured in 1998 by National Steel Car Limited	200	CRLE 020515 through CRLE 020714, inclusive
73' (286,000 lb.) Center Beam Bulkhead Flatcars manufactured in 1998 by National Steel Car Limited	5	TR 165550 through TR 165554, inclusive
73' (286,000 lb.) Center Beam Bulkhead Flatcars manufactured in 1998 by National Steel Car Limited	120	CHTT 273200 through CHTT 273319, inclusive
5150 Cubic Foot (286,000 lb.) Covered Hoppers manufactured in 1998 by Thrall Car Manufacturing	400	NRLX 005150 through NRLX 005549
52' 6" (286,000 lb.) Mill Gondolas manufactured in 1998 by Trinity Industries	25	NS 195310 through NS 195334, inclusive
52' 6" (286,000 lb.) Mill Gondolas manufactured in 1998 by Trinity Industries	50	LVRN 000100 through LVRN 000149, inclusive
52' 6" (286,000 lb.) Mill Gondolas manufactured in 1998 by Thrall Car Manufacturing	50	WSOR 041001 through WSOR 041050, inclusive

5650 Cubic Foot (263,000 lb.) Pressure Discharge Covered Hoppers manufactured in 1998 by Trinity Industries	5	NRLX 056050 through NRLX 056054, inclusive
5650 Cubic Foot (263,000 lb.) Pressure Discharge Covered Hoppers manufactured in 1998 by Trinity Industries	20	NRLX 056060 through NRLX 056079, inclusive
5650 Cubic Foot (263,000 lb.) Pressure Discharge Covered Hoppers manufactured in 1998 by Trinity Industries	50	NRLX 056000 through NRLX 056049