

RECORDATION NO. 21944 FILED

JAN 7 '99 1-20PM

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

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

20006-2973

OF COUNSEL  
URBAN A. LESTER

(202) 393-2266

FAX (202) 393-2156

January 7, 1999

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

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Railcar Lease Agreement, dated as of June 30, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Lessor: NorRail, Inc.  
308 12<sup>th</sup> Avenue South  
Buffalo, Minnesota 55313

Lessee: Norfolk Southern Railway Company  
Three Commercial Place  
Norfolk, Virginia 23510

A description of the railroad equipment covered by the enclosed document is:

350 railcars NS 195335 - NS 195684, inclusive

*Counters - 1998*

Mr. Vernon A. Williams  
January 7, 1999  
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Also enclosed is a check in the amount of \$26.00 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,

A handwritten signature in black ink, appearing to read "R. Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/bg  
Enclosures

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

OFFICE OF THE SECRETARY

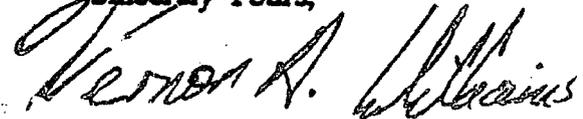
DATE: 1/7/99

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 1/7/99 at 1:20 PM, and  
assigned recordation number(s). 21668-A, 21940, 21941, 21942, 21943  
21944, 21945, 21946, 21947 and 21947-A.

Sincerely Yours,

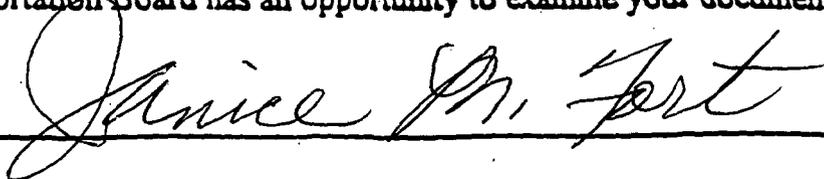


Vernon A. Williams  
Secretary

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



JAN 7 '99 1-20 PM

MEMORANDUM OF MASTER RAILCAR NET LEASE AGREEMENT

THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of June 30, 1998 by and between NORRAIL, INC., a Minnesota Corporation ("Lessor") and NORFOLK SOUTHERN RAILWAY COMPANY, a VIRGINIA 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 Master Net Lease Railcar Lease Agreement No. 1793 dated May 6, 1998 between Lessor and Lessee (hereinafter referred to as the "Lease").
2. Pursuant to Schedule No. 4 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor the three hundred and fifty (350) railcars bearing the reporting marks and numbers NS195335 through NS195684, inclusive, 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.

LESSOR: NORRAIL, INC.

By: Bruce J. Lund

Its: V.P. & General Counsel

By: L.L. Strubbe

Its: V.P. SALES

LESSEE: NORFOLK SOUTHERN RAILWAY COMPANY

By: W.T. Leonard, C.P.M.

Its: Mgr. Purchasing - Car

By: [Signature]

Its: Asst. Mgr. Purch. - Car

STATE OF VIRGINIA, COUNTY OF ROANOKE TO WIT:

On this 23rd day of JULY, 1998 before me personally appeared, HARRY A. LEE and WILLIAM T. ROUSIS, to me personally known, who being by me duly sworn, says that they are the ASST. MGR. PURCHASING and MANAGER PURCHASING, respectively of NORFOLK SOUTHERN RAILWAY COMPANY, a VA 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)

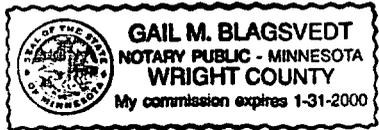
*Jane S. Shoemaker*  
Notary Public

My commission expires: My Commission Expires July 31, 2000.

STATE OF MINNESOTA, COUNTY OF WRIGHT TO WIT:

On this 25th day of July, 1998 before me personally appeared, Bradley C. Gustaf and L. Lee Stubble, to me personally known, who being by me duly sworn, says that they are the V.P. General Counsel and V.P. Sales, 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

My commission expires: 1-31-2000