NorRail, Inc.
Buying, Selling, Leasing
Railcars / Locomotives

308 12th Avenue South, Buffalo, Minnesota 55313 • Phone (612) 557-0215 • Fax (612) 682-2452

January 9, 1997

RECORDATION NO. 20481-
FILED 1425
JAN 14 1997 -8 45 PM

JAN 14 3 40 PM '97
RECEIVED
SURFACE TRANSPORTATION BOARD

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

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two originals of a Memorandum of Railcar Lease Agreement dated as of December 23, 1996, a primary document as defined in the Board's Rules for Recordation of Documents.

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

Lessee: NorRail, Inc.
308 12th Avenue South
Buffalo, Minnesota 55313
(612) 557-0215

Lessor: Bombardier Capital Inc.
P.O. Box 991
1600 Mountain View Drive
Colchester, VT 05446

The Memorandum of Railcar Lease Agreement covers 221 covered hopper railcars which are identified in Exhibit A to the Memorandum of Railcar Lease Agreement. We have also enclosed our check in the amount of $22.00 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. If you have any questions or require any further information in connection with this filing, please contact the undersigned at 612-557-0215.

Very truly yours,

Bradley C. Gunstad

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

1/14/97

Bradley C. Gunstad
NorRail, Inc.
308 12th Avenue South
Buffalo, Minnesota 55313

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/14/97 at 3:45PM, and assigned recordation number(s). 20481, 20482 and 18976 II.

Sincerely yours,

Vernon A. Williams

Vernon A. Williams
Secretary

Enclosure(s)

$ 66.00 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 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 an opportunity to examine your document.

Signature Janice M. Fort

RECORDATION NO. 20481-
FILED 1997
JAN 14 1997 -3 45 PM

MEMORANDUM OF RAILCAR LEASE AGREEMENT

dated as of December 23, 1996

between

BOMBARDIER CAPITAL INC.

as Lessor

and

NORRAIL, INC.

as Lessee

MEMORANDUM OF RAILCAR LEASE AGREEMENT

THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of December 23, 1996 by and between Bombardier Capital Inc., a Massachusetts Corporation ("Lessor"), and NorRail, Inc., a Minnesota 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 Rail Car Lease Agreement No. 1672 dated July 3, 1996 between Lessor and Lessee (hereinafter referred to as the "Lease").

2. Pursuant to Schedule No. 3 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor the two hundred twenty one (221) covered hopper railcars bearing the reporting marks and road numbers indicated on Exhibit A hereto, 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.

BOMBARDIER CAPITAL INC.
Lessor

By: _____ By: _____

Its: VICE PRESIDENT Its: Vice President Operations

NORRAIL, INC.
Lessee

By: Russell D. Adams

Its: Vice President Sales

STATE OF VERMONT, COUNTY OF CHITTENDEN, TO WIT:

On this 20th day of December, 1996 before me personally appeared, George Calvert and Ron Dove, to me personally known, who being by me duly sworn, says that they are the Vice President and Vice President, respectively of Bombardier Capital Inc., a Massachusetts 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.

(Notarial Seal)

Susan J. Blonski
Notary Public

My commission expires 2/10/99

STATE OF MINNESOTA, COUNTY OF WRIGHT, TO WIT:

On this 19th day of December, 1996 before me personally appeared Russell S. Adams to me personally known, who being by me duly sworn, says that he is the Vice President - Sales of NorRail, Inc., a Minnesota corporation, that said instrument was signed 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) GAIL M. BLAGSVEDT NOTARY PUBLIC - MINNESOTA WRIGHT COUNTY My commission expires 1-31-2000

Gail M. Blagsvedt
Notary Public

My commission expires 1/31/2000

EXHIBIT A

Orig. Car No.	New Car No.	Orig. Car No.	New Car No.
1. CR 886140	NRLX046219	57. CR 886656	NRLX046406
2. CR 888169	NRLX046265	58. CR 888003	NRLX046407
3. CR 890833	NRLX046266	59. CR 886672	NRLX046408
4. CR 891064	NRLX046267	60. CR 891013	NRLX046409
5. CR 886246	NRLX046268	61. CR 890977	NRLX046410
6. CR 886643	NRLX046269	62. CR 886664	NRLX046411
7. CR 888010	NRLX046270	63. CR 888556	NRLX046412
8. CR 888161	NRLX046271	64. CR 888638	NRLX046413
9. CR 888648	NRLX046272	65. CR 888589	NRLX046415
10. CR 890262	NRLX046273	66. CR 890839	NRLX046416
11. CR 890836	NRLX046274	67. CR 888162	NRLX046418
12. CR 891027	NRLX046275	68. CR 888526	NRLX046421
13. CR 886260	NRLX046276	69. CR 888627	NRLX046422
14. CR 886691	NRLX046277	70. CR 889635	NRLX046423
15. CR 886096	NRLX046284	71. CR 888296	NRLX046425
16. CR 886106	NRLX046285	72. CR 891211	NRLX046427
17. CR 886481	NRLX046361	73. CR 886709	NRLX046428
18. CR 886531	NRLX046362	74. CR 886667	NRLX046429
19. CR 886552	NRLX046363	75. CR 891000	NRLX046430
20. CR 888321	NRLX046364	76. CR 891010	NRLX046431
21. CR 888316	NRLX046365	77. CR 890922	NRLX046432
22. CR 888276	NRLX046366	78. CR 890956	NRLX046433
23. CR 888028	NRLX046367	79. CR 890813	NRLX046435
24. CR 888361	NRLX046368	80. CR 890378	NRLX046436
25. CR 890893	NRLX046369	81. CR 888074	NRLX046437
26. CR 888176	NRLX046370	82. CR 888179	NRLX046438
27. CR 888586	NRLX046371	83. CR 888050	NRLX046439
28. CR 891072	NRLX046373	84. CR 888521	NRLX046440
29. CR 886522	NRLX046374	85. CR 888389	NRLX046441
30. CR 888080	NRLX046375	86. CR 888140	NRLX046442
31. CR 890841	NRLX046376	87. CR 886671	NRLX046443
32. CR 891081	NRLX046377	88. CR 888125	NRLX046444
33. CR 888105	NRLX046378	89. CR 886670	NRLX046445
34. CR 888127	NRLX046379	90. CR 888345	NRLX046446
35. CR 888019	NRLX046380	91. CR 890978	NRLX046447
36. CR 891065	NRLX046381	92. CR 890948	NRLX046448
37. CR 888739	NRLX046382	93. CR 886005	NRLX046449
38. CR 890825	NRLX046384	94. CR 886006	NRLX046450
39. CR 891051	NRLX046386	95. CR 886008	NRLX046451
40. CR 891060	NRLX046387	96. CR 886017	NRLX046452
41. CR 888545	NRLX046388	97. CR 886021	NRLX046453
42. CR 886698	NRLX046389	98. CR 886059	NRLX046454
43. CR 888286	NRLX046390	99. CR 886061	NRLX046455
44. CR 888015	NRLX046391	100. CR 886080	NRLX046456
45. CR 891042	NRLX046392	101. CR 886083	NRLX046457
46. CR 888560	NRLX046393	102. CR 886093	NRLX046458
47. CR 886112	NRLX046394	103. CR 886094	NRLX046459
48. CR 887840	NRLX046395	104. CR 886095	NRLX046460
49. CR 891110	NRLX046398	105. CR 886097	NRLX046461
50. CR 887908	NRLX046399	106. CR 886102	NRLX046462
51. CR 888066	NRLX046400	107. CR 886108	NRLX046463
52. CR 888136	NRLX046401	108. CR 886116	NRLX046464
53. CR 890827	NRLX046402	109. CR 886119	NRLX046465
54. CR 891021	NRLX046403	110. CR 886120	NRLX046466
55. CR 886658	NRLX046404	111. CR 886149	NRLX046467
56. CR 888395	NRLX046405	112. CR 887846	NRLX046469

EXHIBIT A

Orig. Car No.	New Car No.
113. CR 886168	NRLX046470
114. CR 886329	NRLX046471
115. CR 887843	NRLX046472
116. CR 887835	NRLX046473
117. CR 887838	NRLX046474
118. CR 887841	NRLX046475
119. CR 887848	NRLX046476
120. CR 887849	NRLX046477
121. CR 887852	NRLX046478
122. CR 887854	NRLX046479
123. CR 887855	NRLX046480
124. CR 887861	NRLX046482
125. CR 887862	NRLX046483
126. CR 887865	NRLX046484
127. CR 887867	NRLX046485
128. CR 887868	NRLX046486
129. CR 887869	NRLX046487
130. CR 887870	NRLX046488
131. CR 887872	NRLX046489
132. CR 887878	NRLX046490
133. CR 887881	NRLX046491
134. CR 887884	NRLX046492
135. CR 887887	NRLX046493
136. CR 887888	NRLX046494
137. CR 887889	NRLX046495
138. CR 887894	NRLX046496
139. CR 887901	NRLX046497
140. CR 887903	NRLX046498
141. CR 891012	NRLX046499
142. CR 886164	NRLX046509
143. CR 886209	NRLX047152
144. CR 888279	NRLX047153
145. CR 889710	NRLX047154
146. CR 886219	NRLX047155
147. CR 886035	NRLX047156
148. CR 886048	NRLX047157
149. CR 886060	NRLX047158
150. CR 886136	NRLX047159
151. CR 886165	NRLX047160
152. CR 886171	NRLX047161
153. CR 886238	NRLX047162
154. CR 886264	NRLX047163
155. CR 886307	NRLX047164
156. CR 886373	NRLX047165
157. CR 886376	NRLX047166
158. CR 886527	NRLX047167
159. CR 886540	NRLX047168
160. CR 886863	NRLX047169
161. CR 886893	NRLX047170
162. CR 889232	NRLX047171
163. CR 889543	NRLX047172
164. CR 889892	NRLX047173
165. CR 889952	NRLX047174
166. CR 889960	NRLX047175
167. CR 891276	NRLX047176

Orig. Car No.	New Car No.
168. CR 891277	NRLX047177
169. CR 891278	NRLX047178
170. CR 891280	NRLX047179
171. CR 891283	NRLX047180
172. CR 891285	NRLX047181
173. CR 891286	NRLX047182
174. CR 891287	NRLX047183
175. CR 891288	NRLX047184
176. CR 891289	NRLX047185
177. CR 891290	NRLX047186
178. CR 891291	NRLX047187
179. CR 887931	NRLX047188
180. CR 886127	NRLX047189
181. CR 886067	NRLX047190
182. CR 886530	NRLX047191
183. CR 886042	NRLX047192
184. CR 886072	NRLX047194
185. CR 886245	NRLX047195
186. CR 886288	NRLX047196
187. CR 886495	NRLX047197
188. CR 886068	NRLX047297
189. CR 886356	NRLX047298
190. CR 886044	NRLX047299
191. CR 886143	NRLX047300
192. CR 886226	NRLX047301
193. CR 886052	NRLX047302
194. CR 886024	NRLX047303
195. CR 886486	NRLX047304
196. CR 886224	NRLX047305
197. CR 887958	NRLX047309
198. CR 886026	NRLX047310
199. CR 886225	NRLX047313
200. EL 020215	NRLX047316
201. CR 886073	NRLX047350
202. CR 886211	NRLX047351
203. CR 886295	NRLX047352
204. CR 886966	NRLX047353
205. CR 887946	NRLX047354
206. CR 889457	NRLX047355
207. CR 889862	NRLX047356
208. CR 889950	NRLX047357
209. CR 886208	TPW 000200
210. CR 886281	TPW 000207
211. CR 886290	TPW 000208
212. CR 886291	TPW 000209
213. CR 886306	TPW 000213
214. CR 886311	TPW 000214
215. CR 886904	TPW 000222
216. CR 887003	TPW 000234
217. CR 887018	TPW 000235
218. CR 887646	TPW 000239
219. CR 887791	TPW 000240
220. CR 887797	TPW 000242
221. CR 887803	TPW 000243