



HELM-ATLANTIC ASSOCIATES
LIMITED PARTNERSHIP

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

VIA AIR COURIER

January 21, 1998

RECORDATION NO. 21203 FILED

FEB 3 '98 1-50 PM

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Mr. Williams:

Enclosed are two (2) originals of the Memorandum of Locomotive Lease Agreement made as of June 3, 1997 ("**Memorandum**") between the following parties:

Lessor: Helm-Atlantic Associates Limited Partnership
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

Lessee: D & I Railroad Co.
300 South Phillips
Suite 200
Sioux Falls, SD 57102

The equipment involved in this transaction is as follows:

Equipment: Two (2) locomotives as more fully described
in Schedule A to the Memorandum.

Please file this agreement as a primary document. A check covering the filing fee of twenty-four dollars (\$24.00) is enclosed.

Sincerely,

Eric W. Stoll
Document Administrator

/es
Enclosures (2)

MEMORANDUM OF
LOCOMOTIVE LEASE AGREEMENT

FEB 3 '98

1-50 PM

THIS MEMORANDUM OF LOCOMOTIVE LEASE AGREEMENT (the "Memorandum") is intended to evidence that certain Locomotive Lease Agreement dated as of June 3, 1997 ("Lease") between HELM-ATLANTIC ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership ("Lessor"), and D & I RAILROAD CO., a South Dakota corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the Department of Transportation under Section 49 of U.S.C. 11301. Lessor has the right to lease the locomotives, more fully described in Schedule A hereto (the "Units"). Lessee leased from Lessor the Units at the Rent and upon the terms and conditions provided in the Lease.

The Lease and the Units cannot be assigned, subleased or in any way encumbered without the prior written consent of Lessor. Lessee has granted a security interest unto Lessor in and to any and all Payments, as such term is defined in the Lease, including, without limitation, any and all Rent and other Payments pursuant to any sublease of the Units. In the Event of Default, as such term is defined in the Lease, Lessee assigns any and all subleases to Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

LESSEE

HELM-ATLANTIC ASSOCIATES
LIMITED PARTNERSHIP

D & I RAILROAD CO.

By: Helm Atlantic Corporation,
its General Partner

By: J.M. Hoffers

cm By: David R. Eckles

Print Name: David R. Eckles

Print Name: J.M. Hoffers

Its: President

Its: purchasing agent

cm

SCHEDULE A

TO THE MEMORANDUM OF LEASE

THE UNITS

Equipment Description:

Two (2), 2000 horsepower, GP38 locomotives equipped with dynamic brakes.

Unit Numbers:

HATX 105

HATX 114

STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On January 5, 1998, before me, Emma S. Ortega,
personally appeared David R. Eckles, President of HELM ATLANTIC CORPORATION,

personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.



Witness my hand and official seal.

Emma Susan Ortega
SIGNATURE OF THE NOTARY

[Notarial Seal]

STATE OF SOUTH DAKOTA)
) S.S.
COUNTY OF MINNEHAHA)

On December 30, 1997, before me, Sheila J. Hovda, personally
appeared J.M. STOFFERS, Purchasing Agent of D & I RAILROAD CO.

personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

Witness my hand and official seal.

Sheila J. Hovda
SIGNATURE OF THE NOTARY

My Commission expires 6-27-2002

[Notarial Seal]

EMM