

First Union Rail Corporation

One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018
847 318-7575

RECORDATION NO. 2078³ FILED

JUL 22 '97

10-47 AM

**FIRST
UNION**[®]

VIA FEDERAL EXPRESS

July 9, 1997

RECEIVED
SURFACE TRANSPORTATION
BOARD
JUL 22 10 47 AM '97

Surface Transportation Board
Attn: Jan Fort
1925 K Street, N.W.
Room 704
Washington, D.C. 20423-0001

Re: Memorandum of Lease Agreement

Dear Ms. Fort:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301 (a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated March 20, 1996, 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: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Red River Valley & Western RR Co.
116 South 4th Street
Wahpeton, ND 58074

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

Very truly yours,

Bob Hamilton
Director-Documentation

JUL 22 '97

10-47 AM

Memorandum of Lease

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 20th day of March, 1997, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Red River Valley & Western RR Co., a Minnesota corporation ("Lessee").

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of March 20th, 1997, whereby Lessor has agreed to lease to Lessee certain railcars being described in more particular on Exhibit A attached hereto, effective as of the date set forth above and subject to the terms, conditions and provisions of said Lease.

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

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: *John J. Thomas*

Name: John J. Thomas

Title: President

By: *Robert C. Hamilton Jr.*

Name: Robert C. Hamilton Jr.

Title: Director of Documentation

Executed on this 20th day of April, 1997.

[CORPORATE SEAL]

LESSEE:

RED RIVER VALLEY
& WESTERN RR CO.

ATTEST:

By: *Dennis W. McLeod*

Name: Dennis W. McLeod

Title: President

By: *Pat Badgley*

Name: Pat Badgley

Title: Manager - Accounting Executed on this 18 day of April, 1997.

[CORPORATE SEAL]

STATE OF North Dakota

COUNTY OF Richland

I, Mary Beth Olerud, a Notary Public in and for said state and county, certify that Dennis W. McLeod personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease Agreement.

WITNESS my hand and official stamp or seal, this 18 day of April, 1997.

Mary Beth Olerud
Notary Public

My Commission Expires:

April 5, 2001
(Notary Public)

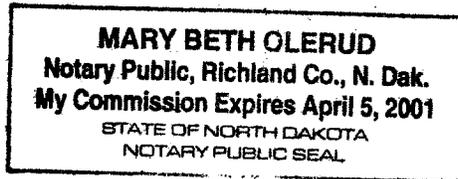


EXHIBIT A
to
Memorandum of Lease

GROX 20141, 20142, 20143, 20146 AND 20177