

NorRail®, Inc.
Buying, Selling, Leasing
And Management of Railcars

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

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K. Street NW, Suite 700
Washington, D.C. 20423

February 19, 1998

RECORDATION NO. 21239 FILED

FEB 25 '98

11-23 AM

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two originals of Memorandum of Railcar Lease Agreement dated as of September 17, 1997, a primary document as defined in the Board's Rules for Recordation of Documents.

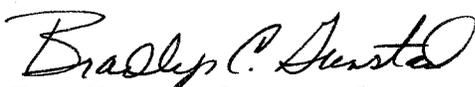
The names and addresses of the parties to the enclosed documents are:

Lessor: NorRail, Inc.
308 - 12th Avenue South
Buffalo, MN 55313
Phone: 612-557-0215

Lessee: Harvest States Cooperatives
1667 Snelling Avenue
St. Paul, MN 55164
Phone: 612-646-9433

The Memorandum of Railcar Lease Agreement covers 40 Covered hoppers identified in Exhibit A to the Memorandum of Railcar Lease Agreement. Enclosed is our check in the amount of \$24.00 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
Vice President & General Counsel
Enclosures

FORMS/STB

MEMORANDUM OF RAILCAR LEASE AGREEMENT

EXHIBIT 21239 FILED

FEB 25 '98

11-23 AM

THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of September 17, 1997 by and between NorRail, Inc., a Minnesota Corporation ("Lessor") and Harvest States Cooperatives 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 Railcar Service and Lease Agreement No. 1751 dated September 17, 1997 between Lessor and Lessee (hereinafter referred to as the "Lease").
2. Pursuant to Schedule No. 1 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor the 40 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.

Lessee: NORRAIL, INC.

Lessor: HARVEST STATES
COOPERATIVES

By: [Signature]

By: [Signature] 9-30-97

Its: [Signature]

Its: SRUP - Harvest STATES

By: [Signature]

By: [Signature]

Its: U.P. SALHS

Its: Asst. Secy

EXHIBIT A

To

MEMORANDUM OF RAILCAR LEASE AGREEMENT
#1751

Railcar Marks/Numbers

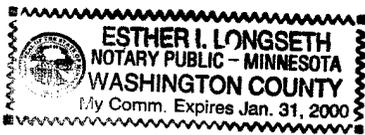
1	NRLX046043	24	NRLX047084
2	NRLX046057	25	NRLX047101
3	NRLX046059	26	NRLX047102
4	NRLX046068	27	NRLX047105
5	NRLX046078	28	NRLX047109
6	NRLX046098	29	NRLX047145
7	NRLX046115	30	NRLX047155
8	NRLX046116	31	NRLX047157
9	NRLX046129	32	NRLX047170
10	NRLX046130	33	NRLX047175
11	NRLX046167	34	NRLX047198
12	NRLX046170	35	NRLX047207
13	NRLX046200	36	NRLX047221
14	NRLX046201	37	NRLX047222
15	NRLX046202	38	NRLX047264
16	NRLX046203	39	NRLX047265
17	NRLX046277	40	NRLX047266
18	NRLX047006		
19	NRLX047014		
20	NRLX047019		
21	NRLX047021		
22	NRLX047027		
23	NRLX047057		

STATE OF MINNESOTA, COUNTY OF RAMSEY TO WIT:

98

On this 8th day of January, 1997 before me personally appeared, Dennis Wendland and Nanci L. Lilja, to me personally known, who being by me duly sworn, says that they are the Senior Vice President and Assistant Secretary respectively of Harvest States Cooperatives, 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)



Esther I. Longseth
Notary Public

My commission expires: 1/31/2000

STATE OF MINNESOTA, COUNTY OF WRIGHT TO WIT:

On this 31st day of December, 1997, before me personally appeared, Robert D. Johnson and L. Lee Spube, to me personally known, who being by me duly sworn, says that they are the President 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