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OF COUNSEL
URBAN A. LESCH

RECEIVED
SURFACE TRANSPORTATION BOARD
MAY 14 1996

May 14, 1996

20058

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

20058 - A, B, C, D
REGISTRATION NO. _____ FILED 142
MAY 14 1996 - 12 05 PM

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are three (3) copies of a Master Equipment Lease Agreement, dated as of May 6, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents and three (3) copies each of the following documents related thereto: Certificates of Acceptance No. One and No. Two, each dated May 6, 1996, and two Bills of Sale, each dated May 13, 1996.

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

Master Equipment Lease Agreement and
Certificates of Acceptance No. One and No. Two

Lessor: MetLife Capital Limited Partnership
10900 N.E. 4th Street
Bellevue, Washington 98009

Lessee: Dakota, Minnesota & Eastern Railroad Corporation
337 22nd Avenue South
Brookings, South Dakota 57006

Admitted Partner - 4/14/96

Mr. Vernon A. Williams
May 14, 1996
Page 2

Bills of Sale

Seller: NorRail, Inc.
308 12th Avenue South
Buffalo, Minnesota 55313

Buyer: MetLife Capital Limited Partnership
10900 N.E. 4th Street
Bellevue, Washington 98009

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

For Certificate of Acceptance No. One -

Twenty-one (21) covered hopper railcars bearing DME (formerly CR) reporting marks and road numbers set forth on Exhibit A attached thereto.

For Certificate of Acceptance No. Two -

Fifty (50) covered hopper railcars bearing DME (formerly CR) reporting marks and road numbers set forth on Exhibit A attached thereto.

Also enclosed is a check in the amount of \$105.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of each of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

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

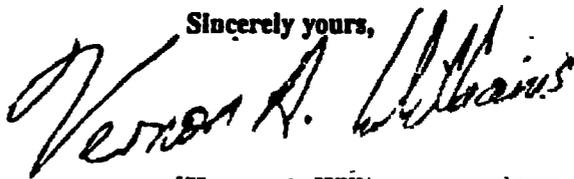
5/14/96

ROBERT W. ALVORD
Alvord And Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20036-2973

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 5/14/96 at 12:05PM, and assigned recordation number(s). 20058, 20058-A, 20058-B, 20058-C and 20058-D.

Sincerely yours,

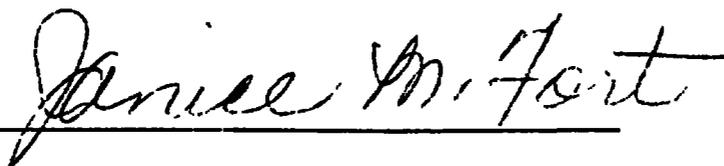


Vernon A. Williams
Secretary

Enclosure(s)

\$ 105.00 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



20058-B
MAY 14 1996 12 05 PM

Bill of Sale

For and in consideration of the sum of **\$624,750.00** and other good and valuable consideration, the receipt of which is hereby acknowledged, **NORRAIL, INC.** (the "Seller") does hereby sell, assign and transfer unto **METLIFE CAPITAL, LIMITED PARTNERSHIP** (the "Buyer"), and its successors and assigns, the Equipment as described in Exhibit A attached hereto.

The Seller hereby warrants that it has good and marketable title to the Equipment and that the Seller's title thereto is free from all liens and encumbrances.

Seller agrees to indemnify Buyer and hold it harmless from and against any and all loss, cost, damage or exposure, including reasonable attorney fees that it may suffer as a result of any claims, suits, demands, actions, causes of actions, recoveries or judgments arising out of any claim of title to the railcars or any lien thereon arising prior to the date hereof.

This **Bill of Sale** is being delivered in connection with the Purchase and Sale Agreement between the Seller and the Buyer dated as of December 19, 1995. **EXCEPT FOR THE WARRANTY OF TITLE SET FORTH IN THIS BILL OF SALE AND THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THE AGREEMENT**, the Equipment is being sold to Buyer by the Seller, "as is, where is" without any other representations and warranties whether written, oral or implied, and the Seller shall not by virtue of having sold the Equipment herewith, be deemed to have made any representation or warranty as to the merchantability, fitness for a particular purpose, operability, design or condition of, or as to the quality of the material or workmanship in, the Equipment.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as of the 13 day of May, 1996.

Seller: NORRAIL, INC.

By: *Russell J. Adams*

Its: Vice President Sales

<u>Old Car #</u>	<u>New Car #</u>	<u>Old Car #</u>	<u>New Car #</u>
CR 887823	DME 44001	CR 887940	DME 47017
CR 887828	DME 44008	CR 887952	DME 47025
CR 890850	DME 46036	CR 886146	DME 47026
CR 888644	DME 46042	CR 887923	DME 47027
CR 888397	DME 46004	CR 887935	DME 47028
CR 888280	DME 46052	CR 886179	DME 47033
CR 888246	DME 46055	CR 886832	DME 47165
CR 886692	DME 46067	CR 888347	DME 47166
CR 887850	DME 46014	CR 886905	DME 47167
CR 888594	DME 46070	CR 888385	DME 46007
CR 887928	DME 47016		

STATE OF Minnesota

COUNTY OF Wright

On this 13th day of May, 1996, before me personally came Russell S. Adams to me known, who, being by me duly sworn, did depose and say that he is the Vice President - Sales of NorRail, Inc., a Minnesota corporation, and he acknowledged to me that he executed the foregoing document on behalf of said corporation by order of its Board of Directors and that such document was the free act and deed of said corporation.

Witness my hand and official seal.

Joann M. Pelinka
Notary Public in and for said State



My commission expires:

1/31/2000