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ELLSWORTH C. ALVORD (1964)

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OF COUNSEL
URBAN A. LESNER

RECEIVED
SURFACE TRANSPORTATION BOARD
MAY 14 12 02 PM '96

May 14, 1996

20058

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

REGISTRATION NO. 20058 - A, B, C, D
FILED 142
MAY 14 1996 - 12 05 PM
OFFICE OF THE CLERK OF COURTS

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

Vertical handwritten notes on the left margin, including "Galt" and "Vernon Williams - 20058 - A, B, C, D".

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

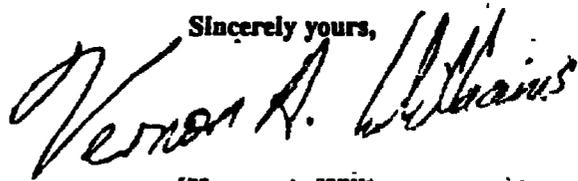
5/14/96

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20006-2073

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,

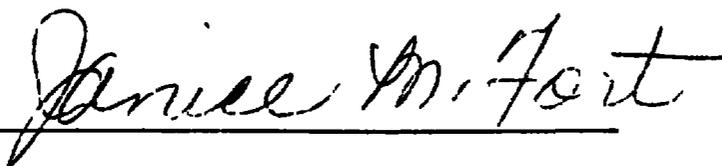


Vernon A. Williams
Secretary

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



22058-C
MAY 14 1996 - 12 05 PM

CERTIFICATE OF ACCEPTANCE NO. TWO
Under
Equipment Lease No. One
Incorporating
Master Equipment Lease Agreement dated May 6, 1996

MetLife Capital, Limited Partnership
C-97550
Bellevue, WA 98009

1 Acceptance

Lessee hereby accepts the Items described below ("Accepted Items") on the terms and conditions of the above Equipment Lease ("Lease") and Master Equipment Lease Agreement ("Agreement") between Lessor and Lessee, and approves payment of all related invoices

2. Acceptance Date of Accepted Items

3 Description of Accepted Items

Vendor	NorRail, Inc.		
Invoice #.	1451	Amount:	\$1,487,500.00

Equipment Description:

Fifty (50) covered hoppers

The equipment is further described on the attached Exhibit "A" herein incorporated by this reference.

4 Location of Accepted Items (include county)

Items are rolling stock or mobile goods When not in transit, to be parked at _____

5 Lessee's Assurances

Lessee represents, warrants and agrees as follows:

- (a) The representations and warranties of Lessee in Section 3 of the Agreement are true and correct, on and as of the above Acceptance Date as though made as of that date, and the representations and warranties of any guarantor of Lessee's obligations under the Lease contained in the related guarantee are true and correct on and as of the above Acceptance Date
- (b) Lessee has received, inspected and approved the Accepted Items They are in good working order and conform to the Lease and all applicable specifications. Lessee will not terminate, repudiate, or modify the Lease as to the Accepted Items or reject or revoke its acceptance of the Accepted Items for any reason whatsoever. The above information concerning the Accepted Items is true, correct and complete. Accepted Items are being placed in service on the Acceptance Date, which, unless Lessor has consented otherwise in writing, is the date set forth above.
- (c) No Event of Default under the Agreement or Lease has occurred and is continuing. There has been no adverse change in the business or financial condition of Lessee or any such guarantor since the date of the most recent financial statement submitted to Lessor



6. Warranty and Related Matters

LESSEE ACKNOWLEDGES AND AGREES THAT LESSOR HAS NOT SELECTED, MANUFACTURED OR SUPPLIED THE ACCEPTED ITEMS. LESSOR IS ACQUIRING THE ACCEPTED ITEMS IN CONNECTION WITH THE LEASE LESSEE HAS RECEIVED A COPY OF AND HAS APPROVED THE PURCHASE ORDERS, INVOICES, OR CONTRACTS FOR THE ACCEPTED ITEMS. LESSEE ACKNOWLEDGES THAT IT HAS SELECTED THE SUPPLIERS OF THE ACCEPTED ITEMS

LESSEE:

DAKOTA, MINNESOTA & EASTERN
RAILROAD CORPORATION

By
Title

L.A. Anderson
L.A. Anderson

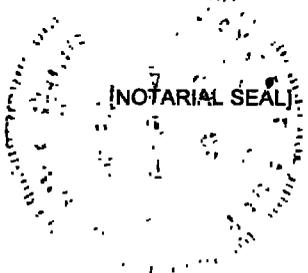
Vice Pres-Mkty & Public Affairs

By
Title

ACKNOWLEDGMENT

STATE OF South Dakota
COUNTY OF Brookings

On this 13th day of MAY, 1996 before me, a Notary Public, personally appeared L.A. Anderson and
DMIER Corp, to me known to be the V.P. Marketing and Public Affairs respectively, of DMIER Corp who executed the foregoing instrument and acknowledged the said instrument was the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned



James E. Hock
NOTARY PUBLIC in and for the State of S.D.
residing at Brookings, SD
My commission expires 5-8-2002

EXHIBIT "A"

OLD CAR #	NEW CAR #
CR 887810	DME 44007
CR 886969	DME 45000
CR 886935	DME 45003
CR 886914	DME 45004
CR 888383	DME 46003
CR 888381	DME 46008
CR 890989	DME 46009
CR 886076	DME 46017
CR 886007	DME 46018
CR 886098	DME 46019
CR 890844	DME 46034
CR 890972	DME 46045
CR 888048	DME 46051
CR 886549	DME 46054
CR 891023	DME 46061
CR 886555	DME 46068
CR 886230	DME 46076
CR 886297	DME 46087
CR 887971	DME 46089
CR 886135	DME 46109
CR 886449	DME 46117
CR 886172	DME 47013
CR 886151	DME 47019
CR 886163	DME 47024
CR 891016	DME 47035
CR 886591	DME 47054
CR 890852	DME 47057
CR 890921	DME 47062
CR 890962	DME 47070
CR 888537	DME 47091
CR 890904	DME 47119
CR 890895	DME 47123
CR 890933	DME 47131
CR 890918	DME 47134
CR 890861	DME 47144
CR 890957	DME 47145
CR 890866	DME 47147
CR 890853	DME 47153
CR 890959	DME 47155
CR 888330	DME 47171
CR 889655	DME 47179
CR 888950	DME 47201
CR 887143	DME 47205
CR 887159	DME 47219
CR 887193	DME 47220
CR 887177	DME 47235
CR 887591	DME 47263
CR 887403	DME 47268
CR 887677	DME 47272
CR 887746	DME 47280

U/2.596

This Exhibit "A" is attached to and made part of that certain Certificate of Acceptance No. Two by and between MetLife Capital, Limited Partnership as Lessor and Dakota, Minnesota & Eastern Railroad Corporation as Lessee

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