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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LEHR

RECEIVED
SURFACE TRANSPORTATION
BOARD

MAY 22 9 25 AM '96

May 20, 1996

20058-E + F

MAY 2 11 50 AM '96

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

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are three (3) copies each of the following secondary documents: Certificate of Acceptance No. Three, dated May 21, 1996, and a Bill of Sale, dated as of May 20, 1996.

The enclosed documents relate to the Master Equipment Lease Agreement duly filed with the Board under Recordation Number 20058.

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

Certificate of Acceptance No. Three

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

Counterparts - 2

Mr. Vernon A. Williams
May 31, 1996
Page 2

Bill 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:

Fifty (50) covered hopper railcars bearing DME (formerly CR) reporting marks and road numbers set forth on the schedule attached hereto.

Also enclosed is a check in the amount of \$42.00 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

EXHIBIT "A"

OLD CAR #		NEW CAR #	
CR	886606	DME	47105
CR	887356	DME	47215
CR	888590	DME	47114
CR	890924	DME	47133
CR	888473	DME	47075
CR	888867	DME	47194
CR	886268	DME	46116
CR	887981	DME	46091
CR	887288	DME	47212
CR	887936	DME	47010
CR	890954	DME	47151
CR	888498	DME	47082
CR	888534	DME	47097
CR	890930	DME	47132
CR	889999	DME	47004
CR	886276	DME	46083
CR	891017	DME	46001
CR	888629	DME	46043
CR	887494	DME	47256
CR	886255	DME	46084
CR	891078	DME	46095
CR	887544	DME	47262
CR	888540	DME	47095
CR	890903	DME	47115
CR	888415	DME	47083
CR	886169	DME	46100
CR	889592	DME	47176
CR	887968	DME	46081
CR	887963	DME	46088
CR	886605	DME	47090
CR	886367	DME	47023
CR	886121	DME	46028
CR	887886	DME	46022
CR	888351	DME	47169
CR	888457	DME	47077
CR	890868	DME	47146
CR	889799	DME	47187
CR	887911	DME	47012
CR	886616	DME	47087
CR	888712	DME	46037
CR	887278	DME	47230
CR	888523	DME	47101
CR	887330	DME	47213
CR	888566	DME	47092
CR	888512 ⁰¹	DME	47113
CR	890906 ^{K.P.}	DME	47116
CR	887459	DME	47258
CR	890917	DME	47130
CR	888423	DME	47065
CR	888539	DME	47096

REC-3000-11 20058-E
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CERTIFICATE OF ACCEPTANCE NO. THREE
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

5-21-96

3. Description of Accepted Items

Vendor:	<u>NorRail, Inc.</u>		
Invoice #:	<u>1456</u>	Amount:	<u>\$1,487,500.00</u>

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):

Waseca MN

Items are rolling stock or mobile goods. When not in transit, to be parked at: 56 Dakota South, Huron, South Dakota 57350 or 880 5th Avenue S.W., Waseca, MN 56093

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.



EXHIBIT "A"

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

OLD CAR #		NEW CAR #	
CR	886606	DME	47105
CR	887356	DME	47215
CR	888590	DME	47114
CR	890924	DME	47133
CR	888473	DME	47075
CR	888867	DME	47194
CR	886268	DME	46116
CR	887981	DME	46091
CR	887288	DME	47212
CR	887936	DME	47010
CR	890954	DME	47151
CR	888498	DME	47082
CR	888534	DME	47097
CR	890930	DME	47132
CR	889999	DME	47004
CR	886276	DME	46083
CR	891017	DME	46001
CR	888629	DME	46043
CR	887494	DME	47256
CR	886255	DME	46084
CR	891078	DME	46095
CR	887544	DME	47262
CR	888540	DME	47095
CR	890903	DME	47115
CR	888415	DME	47083
CR	886169	DME	46100
CR	889592	DME	47176
CR	887968	DME	46081
CR	887963	DME	46088
CR	886605	DME	47090
CR	886367	DME	47023
CR	886121	DME	46028
CR	887886	DME	46022
CR	888351	DME	47169
CR	888457	DME	47077
CR	890868	DME	47146
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CR	887911	DME	47012
CR	886616	DME	47087
CR	888712	DME	46037
CR	887278	DME	47230
CR	888523	DME	47101
CR	887330	DME	47213
CR	888566	DME	47092
CR	888542 ^{ol}	DME	47113
CR	890906 ^{k-f}	DME	47116
CR	887459	DME	47258
CR	890917	DME	47130
CR	888423	DME	47065
CR	888539	DME	47096

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 [Signature]
Title Chief Financial Officer
By Treasurer & Ass't Secretary
Title _____

ACKNOWLEDGMENT

STATE OF South Dakota
COUNTY OF Brookings

On this 21st day of May, 1996 before me, a Notary Public, personally appeared Kurt Feaster and _____ to me known to be the CFO, Treasurer & Ass't Secy and _____, respectively, of DM&E Railroad, 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.

Lisa J. Rasmussen
NOTARY PUBLIC in and for the State of South Dakota
residing at Brookings
My commission expires: Oct 16, 2002

[NOTARIAL SEAL]