

**First Union
Commercial Corporation**

Post Office Box 13327 VA7467
Roanoke, Virginia 24040-0001

September 13, 1996

**FIRST
UNION®**

Secretary
Surface Transportation Board
Washington, D.C. 20423-0001

RECORDED 20306 FILED 11.5
OCT 4 1996 11 01 AM

Re: Memorandum of Lease Agreement

Dear Secretary:

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 September 12, 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 Commercial Corporation
213 S. Jefferson Street, 4th Floor
Roanoke, Virginia 24011

Attn: Sharon B. Bateman VA-7467

Lessee: Dakota Rail, Inc.
25 Adams Street, North
Hutchinson, Mn. 55350

A description of the railroad equipment covered by the enclosed document is set forth on Schedule I attached hereto.

Also enclosed is a check in the amount of \$21.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped original of the enclosed document to the undersigned.

Very Truly Yours,

FIRST UNION COMMERCIAL CORPORATION

Betty S Edwards

Betty S. Edwards
Vice President

Enclosures

SCHEDULE I

DESCRIPTION OF EQUIPMENT

1. NUMBER OF CARS: (10)
2. DESCRIPTION OF CARS: 60' 70-ton used flatcars
3. CAR NUMBERS AND MARKS: OTDX 85697, 85724, 85725, 85752, 85758,
85768, 580511, 580530, 580555, 580578

20306

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EXHIBIT A

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT dated as of September 12, 1996, is between FIRST UNION COMMERCIAL CORPORATION, a North Carolina corporation ("Lessor") and DAKOTA RAIL, INC., a South Dakota corporation ("Lessee").

WHEREAS, the Lessor and the Lessee are entering into the certain Master Equipment Lease Agreement dated March 15, 1996 (the "Lease") and places under lease that certain equipment set forth on Schedule II dated September 12, 1996, attached hereto, and all additions thereto, alterations thereof, replacements thereof and substitutions therefor;

IN WITNESS WHEREOF, the parties wish to show for the public record the aforesaid Lease, and accordingly have caused this Memorandum of Lease Agreement to be executed by their officers thereunto duly authorized, as of the date first above written. This memorandum may be executed in counterparts, each such counterpart shall be binding on both parties hereto, notwithstanding that both parties are not signatories to the same counterpart.

FIRST UNION COMMERCIAL CORPORATION

By Betty S Edwards
Name Betty S. Edwards
Title Vice President

DAKOTA RAIL, INC.

By John H. Matson
Name JOHN H MATSON
Title PRESIDENT

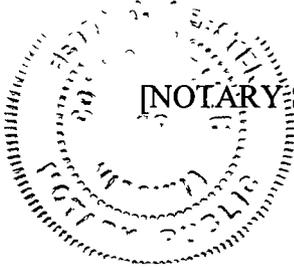
STATE OF Virginia
~~CITY~~
COUNTY OF Roanoke

I, Betty J. Webster a Notary Public in and for said state and county, do hereby certify that Betty S. Edwards personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease Agreement.

Witness my hand and official seal this 16th day of Sept., 1996.

Betty J. Webster
Notary Public

My commission expires: 31 October 1996



[NOTARY SEAL]

STATE OF VIRGINIA
COUNTY OF FAIRFAX

I, Anne Park a Notary Public in and for said state and county, do hereby certify that JOHAN MARINO personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease Agreement.

Witness my hand and official seal this 12 day of Sept., 1996.

Anne Park
Notary Public

My commission expires: 30 Nov 96

[NOTARY SEAL]

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