

JAN 7 '99

1-20PM

ALVORD AND ALVORD
ATTORNEYS AT LAW
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SUITE 200
WASHINGTON, D.C.
20006-2973
(202) 393-2266
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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

January 7, 1999

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 two (2) copies of a Memorandum of Railcar Lease Agreement, dated as of December 30, 1998, 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: NorRail, Inc.
308 12th Avenue South
Buffalo, Minnesota 55313

Lessee: North America Corn Milling
Division of Cargill, Incorporated
15407 McGinty Road West
Wayzata, Minnesota 55391

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

on the schedule attached thereto

Countersigned - [Signature]

Mr. Vernon A. Williams
January 7, 1999
Page 2

Also enclosed is a check in the amount of \$26.00 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.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

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

OFFICE OF THE SECRETARY

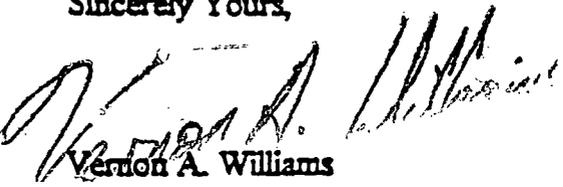
DATE: 1/7/99

Robert W. Alvord
Alvord And Alvord
918 Sixteenth St., NW., Ste. 200
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301
and 49 CFR 1177.3 (c), on 1/7/99 at 1:20 PM, and
assigned recordation number(s). 21668-A, 21940, 21941, 21942, 21943
21944, 21945, 21946, 21947 and 21947-A.

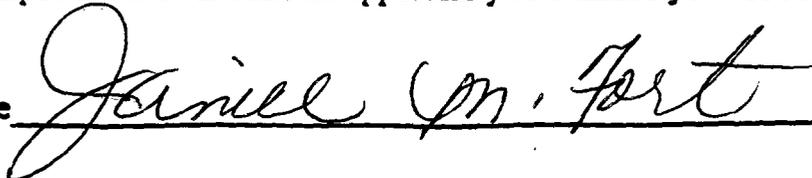
Sincerely Yours,


Vernon A. Williams
Secretary

Enclosure(s) (10)

\$ 260.00 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.
In the event of an error or any questions concerning this fee, you will receive a notification after
the Surface Transportation Board has an opportunity to examine your document.

Signature



MEMORANDUM OF RAILCAR LEASE AGREEMENT

THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of December 30, 1998 by and between NorRail, Inc., a Minnesota Corporation ("Lessor") and North American Corn Milling Division of Cargill, Incorporated, a _____ 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. 1797 dated Dec 30, 1998 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 twenty-one (21) 5650 Cu. Ft. Pressure Differential Covered Hopper Railcars bearing the reporting marks and 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.

LESSOR: NorRail, Inc.

LESSEE: North American Corn Milling Division of Cargill, Incorporated

By: [Signature] L. Lee Struble Vice President-Sales

By: [Signature] Rail Fleet Manager

Its: [Signature] Bradley C. Gunstad Vice President & General Counsel

By: [Signature] Its: [Signature]

EXHIBIT A
To
MEMORANDUM OF RAILCAR LEASE AGREEMENT

1. NRLX056055
2. NRLX056056
3. NRLX056057
4. NRLX056058
5. NRLX056059
6. NRLX056134
7. NRLX056135
8. NRLX056136
9. NRLX056137
10. NRLX056138
11. NRLX056139
12. NRLX056140
13. NRLX056141
14. NRLX056142
15. NRLX056143
16. NRLX056144
17. NRLX056145
18. NRLX056146
19. NRLX056147
20. NRLX056148
21. NRLX056149

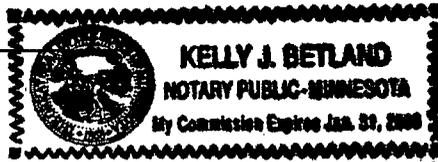
STATE OF MN, COUNTY OF Hennepin TO WIT:

On this 30th day of December, 1998 before me personally appeared, _____ and _____, to me personally known, who being by me duly sworn, says that they are the _____ and _____, respectively of North American Corn Milling Division of Cargill, Incorporated, a _____ 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)

Kelly J. Betland
Notary Public

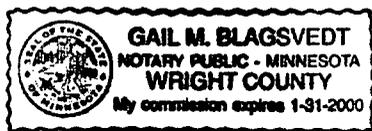
My commission expires:



STATE OF MINNESOTA, COUNTY OF WRIGHT TO WIT:

On this 30th day of Dec., 1998 before me personally appeared, Lee Stubbs and Bradley C. Hunstad, to me personally known, who being by me duly sworn, says that they are the V.P. Sales and V.P. - General Counsel, 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

b

CONFIDENTIAL

CONFIDENTIAL