

RECORDATION NO. 22467-D FILED

SEP 04 '08

1-09 PM

SURFACE TRANSPORTATION BOARD



September 2, 2008

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Ms. Anne K. Quinlan
Surface Transportation Board
395 E Street S.W., Suite 100
Washington, DC 20024
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Ms. Quinlan:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and one (1) copy of a Memorandum of Lease Agreement, dated August 13, 2008, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Surface Transportation Board under Recordation Number 22467.

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

Lessor: First Union Rail Corporation
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Dakota, Minnesota and Eastern Railroad Corp.
140 N. Phillips Avenue
Sioux Falls, SD 57104

A description of the railroad equipment covered by the enclosed document is twenty seven (27) Plate "1" box cars, with plug doors having NOKL marks (see Exhibit A for numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,

Georgia Freiburger
Manager of Documentation

Enclosures

(DMI-025)

SEP 04 '08

1-09 PM

ASSGN. NO.: DME025

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 13th day of August, 2008, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION, ("Lessee"), a Delaware corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of June 23, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 22 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of August 13, 2008, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

By: Richard F. Seymour

Name: RICHARD F. SEYMOUR
VICE PRESIDENT SALES & MARKETING

Title: _____

ATTEST:

By: Susan Grokulska

Name: SUSAN GROKULSKY

Title: ASST. DIRECTOR OF DOCUMENTATION

Executed on this 13th day of August, 2008.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 13th day of August, 2008.

Georgia Freiburger
Notary Public

My Commission Expires:

6-5-2012
(Notary Public)



LESSEE:

DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION

ATTEST:

By: John B Gabel

Name: John B. Gabel

Title: AVP Cust Serv & Equip mgmt

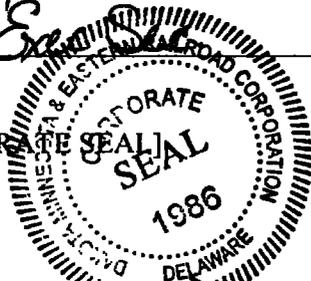
By: Cynde A. Jerwik

Name: CYNDE A. JERWIK

Title: Exec. Secy

Executed on this 5 day of August, 2008.

[CORPORATE SEAL]



STATE OF South Dakota

COUNTY OF Minnehaha

I, Linda M. Arter, a Notary Public of the County and State aforesaid, certify that John B. Gabel personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 5 day of August, 2008.

Linda M. Arter

Notary Public

Commission Expires: 01/09

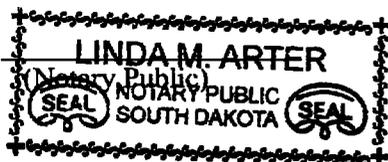


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Twenty-seven (27)

DESCRIPTION OF CARS: 50'6", 286 GRL, plate "F" boxcars with 12' plug doors.

CAR NUMBERS:

NOKL 571101
NOKL 571103
NOKL 571104
NOKL 571106
NOKL 571107
NOKL 571112
NOKL 571118
NOKL 571124
NOKL 571128
NOKL 571137
NOKL 571139
NOKL 571142
NOKL 571147
NOKL 571151
NOKL 571152
NOKL 571157
NOKL 571159
NOKL 571161
NOKL 571165
NOKL 571168
NOKL 571177
NOKL 571181
NOKL 571184
NOKL 571191
NOKL 571192
NOKL 571197
NOKL 571198