

OSTER
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RECORDATION NO. 25036 FILED

July 6, 2004

JUL 6 '04 10-39 AM

SURFACE TRANSPORTATION BOARD

Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Dear Sir:

Enclosed for recording with the Surface Transportation Board is a Memorandum of Railcar Lease Agreement dated 4/8/04 involving the following parties and railroad equipment:

Lessor: Wells Fargo Equipment Finance, Inc.
Investors Building, #700
733 Marquette Avenue South
Minneapolis, MN 55402

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

Equipment: 35, 4000 cf Open-top Hoppers
DME 39300-39334

Please record this agreement as a primary document. The filing fee of \$30 is enclosed.

Summary: Memorandum of Railcar Lease Agreement 4/8/04 between Wells Fargo Equipment Finance, Inc. as Lessor and Dakota, Minnesota & Eastern Railroad Corporation as Lessee including 35, 4000 cf Open-top Hoppers marked DME 39300-39334.

Sincerely,



Mary Ann Oster
Research Consultant

Enclosure



Wells Fargo Equipment Finance
 Investors Building, Suite 700
 733 Marquette Avenue South
 Minneapolis, MN 55402

RECORDATION NO. 25036 FILED

Memorandum of Railcar Lease Agreement

JUL 6 '04

10-33 AM

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of April 8, 2004 by and between Wells Fargo Equipment Finance, Inc., a Minnesota corporation ("Lessor") and Dakota, Minnesota & Eastern Railroad Corporation, a ~~South Dakota~~ ^{Delaware} 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 Supplements to the Lease to be entered into by Lessor and Lessee from time to time, all as more particularly described in that certain Railcar Master Lease Agreement dated as of March 11, 2002 between Lessor and Lessee (hereinafter referred to as the "Lease").
2. Pursuant to Supplement No(s).20647-103 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor Thirty Five (35) 4000 c.f., (1975) Built, 3 Compartment, 6 Gate, 100-ton, carbon steel, rotary-type open top hopper railcars bearing reporting marks and numbers indicated on Schedule 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 terms 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: Wells Fargo Equipment Finance, Inc.

LESSEE: Dakota, Minnesota & Eastern Railroad Corporation

By: [Signature]

By: * [Signature]

Name: [Signature]

Name: * JOHN B GABEL

Title: AVP

Its: * Gen mgr Railcar Fleet

STATE OF MINNESOTA
COUNTY OF HENNEPIN

On this 30th day of June, 2004 before me personally appeared,
Jacqueline P. Barragan to me personally known, who being by me duly sworn, says that s/he is the
AVP of Wells Fargo Equipment Finance, Inc., a Minnesota corporation, that said instrument was signed
on behalf of said corporation, and s/he acknowledged that the execution of the foregoing instrument was the free act and
deed of said corporation.

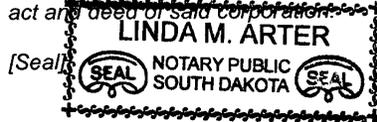


Patti H. DeYoung
Notary Public

My commission expires: 1/31/05

STATE OF South Dakota
COUNTY OF Minnehaha

On this 14th day of April, 2004 before me personally appeared,
John Gabel to me personally known, who being by me duly sworn, says that s/he is the
Gen. Mgr. of Rail Car Fleet, a(n) Delaware corporation, that said instrument was
signed on behalf of said corporation, and s/he acknowledged that the execution of the foregoing instrument was the free
act and deed of said corporation.



Linda M. Arter
Notary Public

My commission expires: 01/09

**SCHEDULE A TO
MEMORANDUM OF RAILCAR LEASE AGREEMENT
DATED AS OF April 8, 2004**

*Thirty Five (35) 4000 c.f., (1975) Built, 3 Compartment, 6 Gate, 100-ton, carbon steel, rotary-type open top hopper
Railcars bearing the following markings:*

*DME 39300
DME 39301
DME 39302
DME 39303
DME 39304
DME 39305
DME 39306
DME 39307
DME 39308
DME 39309
DME 39310
DME 39311*

*DME 39312
DME 39313
DME 39314
DME 39315
DME 39316
DME 39317
DME 39318
DME 39319
DME 39320
DME 39321
DME 39322
DME 39323*

*DME 39324
DME 39325
DME 39326
DME 39327
DME 39328
DME 39329
DME 39330
DME 39331
DME 39332
DME 39333
DME 39334*