

RECORDATION NO. 25293 FILED

NOV 15 '04 1-55 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

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

November 15, 2004

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 Lease, dated as of June 16, 2004, 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: NARCAT, LLC
Suite R
480 West Dussel Drive
Maumee, Ohio 43537

Lessee: Dakota, Minnesota and Eastern Railroad
337 Twenty-second Avenue, South
Brookings, South Dakota 57006

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

3 railcars: DME 003254, DME 003272 and DME 003317.

A short summary of the document to appear in the index is:

Memorandum of Lease.

Also enclosed is a check in the amount of \$32.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

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MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

1. Pursuant to that certain Master Lease Agreement dated February 1, 1997, and the related Schedule No. 4 dated as of November 8, 2000 (collectively, the "Lease Agreement"), between Railcar, Ltd. as Lessor, and Dakota, Minnesota & Eastern Railroad, as Lessee, Lessor has leased to Lessee the following railroad cars: DME 003254, DME 003272, and DME 003317 (the "Cars"). Said lease of the Cars is referred to hereinafter as the "Lease".

(a) Pursuant to that certain Bill of Sale, Assignment and Assumption Agreement ("Agreement 1") dated February 12, 2004, Railcar, Ltd. assigned all of its right, title and interest as Lessor under the Lease to Cap Acquire, LLC, which Agreement 1 was recorded with the STB on February 12, 2004 under Recordation No. 24816-A.

(b) Pursuant to that certain Bill of Sale and Assignment Agreement dated February 12, 2004, Cap Acquire, LLC assigned all of its right, title and interest as Lessor under the Lease to NARCAT LLC ("Agreement 2"), which Agreement 2 was recorded with the STB on February 12, 2004 under Recordation No. 24816-F.

2. The addresses of the parties are as follows:

Lessor: NARCAT LLC
Suite R
480 West Dussel Drive
Maumee, OH 43537

Lessee: Dakota, Minnesota and Eastern Railroad
337 Twenty-second Avenue, South
Brookings, SD 57006

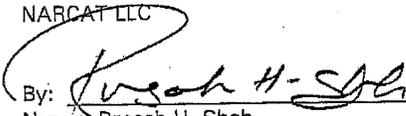
3. The Lease commenced on December 1, 2000 for a term of one-month, and shall automatically renew for successive one-month terms until terminated by either party.

4. The terms and provisions of the Lease are more particularly set forth in the Lease Agreement.

5. This Memorandum of Lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same document, which may be evidenced by any such signed counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of June 16, 2004.

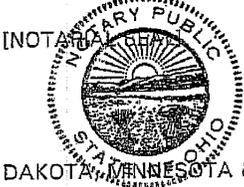
NARCAT LLC

By: 
Name: Rasesh H. Shah
Title: Manager

[SIGNATURES CONTINUE ON NEXT PAGE]

State of Ohio, County of Lucas

On June 16, 2004 before me personally appeared Rasesh H. Shah, to me personally known, who being by me duly sworn says that he is the Manager of NARCAT, LLC, a Delaware limited liability company, and that he executed the foregoing instrument on behalf of said company by authority of its Members and Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

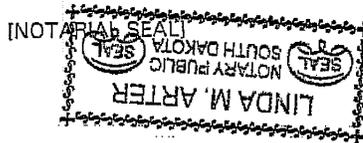
Susan E. Monro
Notary Public:
My commission expires:
 **SUSAN E. MONRO**
Notary Public, State of Ohio
Attorney At Law
My Commission Has
No Expiration
Section 147.03 B.C.

By: John B. Gabel
Name: JOHN B. GABEL
Title: Gen Mgr Railcar Fleet

State of South Dakota, County of Minnehaha

On May 27, 2004 before me personally appeared John B. Gabel, to me personally know, who being by me duly sworn says that he is Gen Mgr Railcar Fleet of Dakota, Minnesota and Eastern Railroad, and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and 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



CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

11/15/04



Robert W. Alvord