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December 31, 2012

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Dear Section Chief,

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 September 8, 2012, 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: Progress Rail Leasing Corporation
1600 Progress Drive
Albertville, AL 35950

Lessee: Red River Valley & Western Railroad
116 4th Street South
Wahpeton, ND 58075

Chief
Section of Administration
December 31, 2012
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A description of the railroad equipment covered by the enclosed document
is:

3 covered hopper railcars: PMRX 152272, PMRX 152277 and PMRX
152282.

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

Memorandum of Lease.

Also enclosed is a check in the amount of \$42.00 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,

A handwritten signature in black ink, appearing to read 'E. M. Luria', with a stylized flourish at the end.

Edward M. Luria

EML/sem
Enclosures

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of the 8th day of September, 2012, by and between Progress Rail Leasing Corporation (the "Lessor") and Red River Valley & Western Railroad ("Lessee").

WITNESSETH

The undersigned Lessor and Lessee have entered into that certain Master Railcar Lease Agreement (Full Service) (the "Lease") dated as of September 8, 2012, as supplemented by that certain Schedule 1 to Master Railcar Lease Agreement dated as of the same date (the "Schedule"), whereby Lessor has agreed to lease to Lessee certain railcars pursuant to said Lease and Schedule, as more particularly described on Exhibit A attached hereto, subject to the terms, conditions and provisions of the Lease and Schedule.

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:

PROGRESS RAIL LEASING CORPORATION

By: 

J. Duane Cantrell, its Senior Vice President

STATE OF ALABAMA

COUNTY OF MARSHALL

I, Brandy Sneed Phibbett a Notary Public of the County and State aforesaid, certify that J. Duane Cantrell, as Senior Vice President of Progress Rail Leasing Corporation personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal this 8th day of September, 2012.

Brandy Sneed Phibbett
Notary Public

My commission expires: 10-10-12

LESSEE:

RED RIVER VALLEY & WESTERN
RAILROAD

By: Daniel L. Zink
Name: Daniel L. Zink
Its: Dir. of Adm.

STATE OF North Dakota

COUNTY OF Richland

I, Beverly Jaehning a Notary Public of the County and State aforesaid, certify that Daniel L. Zink, as Director of Adm. Red River Valley & Western Railroad personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal this 8th day of September, 2012.

Beverly Jaehning
Notary Public

My commission expires: _____

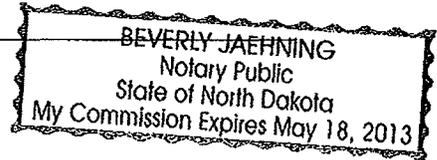


EXHIBIT A
TO
MEMORANDUM OF LEASE

Three (3) 4750 263k GRL cubed covered hopper railcars (1980 Trinity built) with the following marks and numbers:

1. PMRX 152272
2. PMRX 152277
3. PMRX 152282

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, 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: 12/31/12

Edward M Luria
Edward M. Luria