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November 22, 1999

VIA CERTIFIED US MAIL

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW
Washington, DC 20423



RECORDATION NO. 21796-A FILED

DEC 15 '99

9-30AM

RE: TERMINATION of Lease - Recordation No. 21796
(Our File No. DM-100-05.6)

Dear Secretary:

Enclosed herewith, in compliance with 49 CFR § 1177.3, please find an original and three counterparts of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Termination of Lease, a secondary document, dated November 15, 1999. The primary document to which this is connected is recorded under Recordation Number 21796, recordation date November 20, 1998.

The names and addresses of the parties to the documents are as follows:

Lessor: Helm Financial Corporation
1 Embarcadero Ctr, #3700
San Francisco, CA 94111
Lessee: Dakota, Minnesota & Eastern Railroad Corp.
PO Box 178
Brookings, SD 57006-0178

A description of the equipment covered by the document follows:

Six (6) EMD Model SD40 locomotives with the reporting marks:

DME 6062
DME 6063
DME 6064
DME 6065
DME 6066
DME 6067

Surface Transportation Board
Filing - Termination of Lease
Recordation No. 21796
6 SD40 locomotives - DME 6062 - 6067
November 22, 1999 - Page 2

A fee of \$26.00 is enclosed. Please return any copies not needed for recordation to me with a notation of the recordation number, date and time of filing for our records.

A short summary of the document to appear in the index as described in 49 CFR § 1177.4(a) follows:

Other secondary documents - Termination of Lease with Recordation No. 21796, dated November 20, 1998 and covering 6 SD40 locomotives.

Should you have any questions or require additional information with respect hereto, please do not hesitate to contact me.

Sincerely,

CUTLER, DONAHOE & MICKELSON, LLP



Brian J. Donahoe

For the Firm

Attorneys for Dakota, Minnesota & Eastern Railroad
Corp.

BJD:jc

Enclosures

cc: David Parrott

DEC 15 '99

9-30AM

TERMINATION OF LEASE

THIS TERMINATION OF LEASE AGREEMENT ("Termination") is dated as of November 15, 1999, by and between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION, a Delaware corporation ("Lessee").

R E C I T A L S :

- A. Lessor and Lessee are parties to the Locomotive Lease Agreement dated as of March 10, 1998, as amended by Amendment No. 1 thereto dated as of January 5, 1999 ("Lease"), pursuant to which the six (6), SD40 locomotives bearing the reporting marks and numbers DME 6062-6067 ("Unit(s)") were leased by Lessor to Lessee.
- B. The Lease is on file at the Surface Transportation Board of the Department of Transportation ("STB") under STB Recordation No. 21796 filed on November 20, 1998 at 10:22 AM.
- C. Pursuant to Section 24 of the Lease, Lessee's letter to Lessor of October 11, 1999 and Lessor's letter to Lessee dated as of October 26, 1999, Lessor transferred all of its right, title and interest in and to the Units to Lessee on November 15, 1999 ("Termination Date") and the Lease was terminated.
- D. Lessor and Lessee desire to execute this Termination to evidence for the public record the termination of the Lease.

NOW, THEREFORE, in consideration of the premises, Lessor and Lessee do hereby acknowledge and confirm:

- 1. Termination of Lease. Lessor and Lessee hereby declare for the public record that as of the Termination Date the Lease is formally terminated.
- 2. Survival of Obligations Prior to Termination Date. Any obligations under the Lease with respect to the Units incurred prior to the Termination Date shall survive, including, but not limited to, Lessee's indemnification obligations.

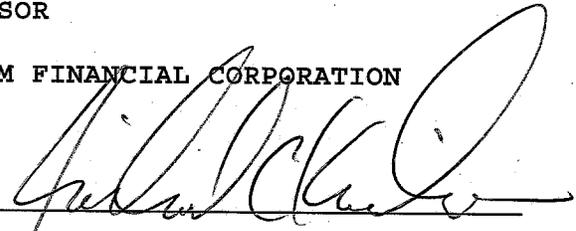
IN WITNESS WHEREOF, the parties hereto have caused this Termination to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

LESSEE

HELM FINANCIAL CORPORATION

DAKOTA, MINNESOTA & EASTERN RAILROAD COMPANY

By: 

By: 

Name: Richard C. Kirchner

Name: Kurt V. Feaster, Chief Financial Officer
Treasurer & Ass't Secretary

Title: President

Title: _____



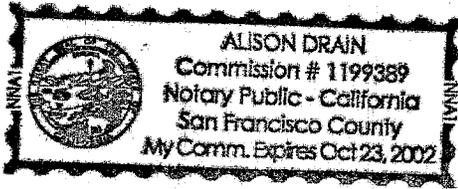
STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On November 15, 1999, before me, Alison Drain, personally appeared Richard C. Kirchner, President of HELM FINANCIAL CORPORATION,

personally known to me -OR-

proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Witness my hand and official seal.

Alison Drain
SIGNATURE OF THE NOTARY

[Notarial Seal]

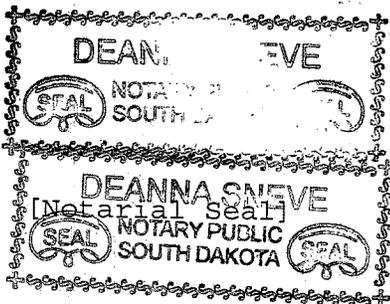
STATE OF SOUTH DAKOTA)
) S.S.
COUNTY OF BROOKINGS)

On November 11, 1999, before me, Deanna Snieve, personally appeared Kurt V. Feaster, Chief Financial Officer of DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION,

personally known to me -OR-

proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Witness my hand and official seal.

Deanna Snieve
SIGNATURE OF THE NOTARY

My Commission Expires: June 2, 2005