



THOMPSON
COBURN LLP

RECORDATION NO. 31564 FILED

JAN 13 '15 -4 06 PM

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SURFACE TRANSPORTATION BOARD

January 13, 2015

VIA HAND DELIVERY

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

Re: Pledge Agreement

Dear Sir/Madam:

Enclosed for recording with the Surface Transportation Board ("STB"), pursuant to the provisions of 49 U.S.C. Section 11301(a), is one original and two copies of the Pledge Agreement dated as of December 30, 2014, a primary document. We request that this document be given the next available recordation number.

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

Secured Party: U.S. Bank Equipment Finance, a division of U.S. Bank National Association
13010 SW 68th Parkway Suite 100
Portland, OR 97223

Obligor/Pledgor: D & I Railroad Co.
300 S Phillips Avenue Suite 200
Sioux Falls, SD 57104

A description of the equipment covered by the Pledge Agreement consists of one (1) GP39-2 Locomotive with mark and number DAIR 2510 and one (1) GP50 Locomotive with mark and number DAIR 2513. Kindly find a list of the equipment in Section 7.0 of the Pledge Agreement.

We have enclosed a check in the amount of \$43 for the required recordation fee.

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

Pledge Agreement dated as of December 30, 2014 between U.S. Bank Equipment Finance, a division of U.S. Bank National Association and D & I Railroad Co. covering one (1) GP39-2 Locomotive with mark and number DAIR 2510 and one (1) GP50 Locomotive with mark and number DAIR 2513.

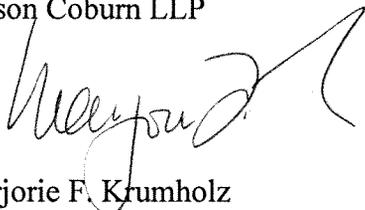
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If you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

Thompson Coburn LLP

By


Marjorie F. Krumholz

MFK/elh

Enclosures

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PLEDGE AGREEMENT
(Equipment and/or Inventory)

EQUIPMENT FINANCE

SURFACE TRANSPORTATION BOARD

1.0 PARTIES, COLLATERAL AND OBLIGATIONS

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **D & I Railroad Co.** (hereinafter called "Pledgor") with offices at **300 S Phillips Ave, Suite 200, Sioux Falls, SD 57104** intending to be legally bound, hereby grants a security interest in and assigns, transfers and sets over to **U.S. Bank Equipment Finance, a division of U.S. Bank National Association**, having offices at PO Box 230789, Portland, OR 97281-0789 (hereinafter called "Secured Party"), and to the successors and assigns thereof, the property specified in Section 7.0 wherever located, and any and all proceeds thereof, insurance recoveries, and all replacements, additions, accessions, accessories and substitutions thereto or therefor (hereinafter called the "Collateral"). The security interest granted hereby is to secure payment of any and all liabilities or obligations of **L. G. EVERIST, INCORPORATED** ("Obligor") to the Secured Party, matured or unmatured, direct or indirect, absolute or contingent, heretofore arising, now existing or hereafter arising under any writing between Obligor and Secured Party (all hereinafter called the "obligations" and/or the "liabilities").

2.0 WARRANTIES AND COVENANTS OF PLEDGOR Pledgor hereby represents, warrants and covenants that:

2.1 Business Organization Status and Authority. (i) Pledgor is duly organized, validly existing and in good standing under the laws of the state of its organization and is qualified to do business in all states and countries in which such qualification is necessary; (ii) Pledgor has the lawful power and authority to own its assets and to conduct the business in which it is engaged and to execute and comply with the provisions of this Agreement and any related documents; (iii) the execution and delivery of this Agreement and any related documents have been duly authorized by all necessary action; (iv) no authorization, consent, approval, license or exemption of, or filing or registration with, any or all of the owners of Pledgor or any governmental entity was, is or will be necessary to the valid execution, delivery, performance or full enforceability of this Agreement and any related documents. Except as specifically disclosed to Secured Party, Pledgor utilizes no trade names in the conduct of its business and/or has not changed its name within the past five years.

2.2 Merger; Transfer of Assets. Pledgor will not consolidate or merge with or into any other entity, liquidate or dissolve, distribute, sell, lease, transfer or dispose of all of its properties or assets or any substantial portion thereof other than in the ordinary course of its business, unless the Secured Party shall give its prior written consent, and the surviving, or successor entity or the transferee of such assets, as the case may be, shall assume, by a written instrument which is legal, valid and enforceable against such surviving or successor entity or transferee, all of the obligations of Pledgor to Secured Party or any affiliate of Secured Party. Pledgor shall not permit any change in the legal or equitable ownership of Pledgor without 30 days prior written notice to Secured Party.

2.3 No Violation of Covenants or Laws. Pledgor is not party to any agreement or subject to any restriction which materially and adversely affects its ability to perform its obligations under this Agreement and any related documents. The execution of and compliance with the terms of this Agreement and any related documents does not and will not (i) violate any provision of law, or (ii) conflict with or result in a breach of any order, injunction, or decree of any court or governmental authority or the formation documents of Pledgor, or (iii) constitute or result in a default under any agreement, bond or indenture by which Pledgor is bound or to which any of its property is subject, or (iv) result in the imposition of any lien or encumbrance upon any of Pledgor's assets, except for any liens created hereunder or under any related documents.

2.4 Accurate Information. All financial information submitted to the Secured Party in regard to Pledgor or any shareholder, officer, director, member, or partner thereof, or any guarantor of any of the obligations thereof, was prepared in accordance with generally accepted accounting principles, consistently applied, and fairly and accurately depicts the financial position and results of operations of Pledgor or such other person, as of the respective dates or for the respective periods, to which such information pertains. Pledgor had good, valid and marketable title to all the properties and assets reflected as being owned by it on any balance sheet of Pledgor submitted to Secured Party as of the date thereof.

2.5 Judgments; Pending Legal Action. There are no judgments outstanding against Pledgor, and there are no actions or proceedings pending or, to the best knowledge of Pledgor, threatened against or affecting Pledgor or any of its properties in any court or before any governmental entity which, if determined adversely to Pledgor, would result in any material adverse change in the business, properties or assets, or in the condition, financial or otherwise, of Pledgor or would materially and adversely affect the ability of Pledgor to satisfy its obligations under this Agreement and any related documents or adversely affect the Collateral.

2.6 No Breach of Other Agreements; Compliance with Applicable Laws. Pledgor is not in breach of or in default under any loan agreement, indenture, bond, note or other evidence of indebtedness, or any other material agreement or any court order, injunction or decree or any lien, statute, rule or regulation. The operations of Pledgor comply with all laws, ordinances and governmental rules and

regulations applicable to them. Pledgor has filed all Federal, state and municipal income tax returns which are required to be filed and has paid all taxes as shown on said returns and on all assessments billed to it to the extent that such taxes or assessments have become due. Pledgor does not know of any other proposed tax assessment against it or of any basis for one.

2.7 Sale Prohibited. Pledgor will not sell, dispose of or offer to sell or otherwise transfer the Collateral or any interest therein without the prior written consent of Secured Party.

2.8 Location of Collateral.

300 S Phillips Ave, Suite 200, Sioux Falls, SD 57104, South Dakota 57104 COUNTY: Minnehaha

and Pledgor will promptly notify Secured Party of any change in the location(s) of the Collateral. Pledgor will not remove the Collateral from said location(s) without the prior written consent of Secured Party.

2.9 Collateral not a Fixture. The Collateral is not attached, and Pledgor will not permit the Collateral to become attached, to real estate in such a way that it would be considered part of the realty or designated a "fixture." Notwithstanding any presumption of applicable law, and irrespective of any manner of attachment, the Collateral shall not be deemed real property but shall retain its character as personal property. However, Pledgor will at the option of Secured Party furnish the latter with a waiver or waivers in recordable form, signed by all persons having an interest in the real estate, of any interest in the Collateral which is or might be deemed to be prior to Secured Party's interest.

2.10 Perfection of Security Interest. Except for (i) the security interest granted hereby and (ii) any other security interest previously disclosed by Pledgor to Secured Party in writing, Pledgor is the owner of the Collateral free from any adverse lien, security interest or encumbrance. Pledgor will defend the Collateral against all claims and demands of all persons at any time claiming any interest therein. At the request of Secured Party, Pledgor will execute, acknowledge and deliver to Secured Party any document or instrument required by Secured Party to further the purposes of this Agreement. Pledgor shall execute or, to the extent allowed by law, Pledgor hereby authorizes Secured Party to execute and file any financing statement needed to perfect Secured Party's interest in the Collateral, including (without limitation) any fixture filings and financing statements and any amendments and continuation statements thereto pursuant to the Uniform Commercial Code, in form satisfactory to Secured Party, and will pay the cost of filing the same in all public offices where filing is deemed by Secured Party to be necessary or desirable. Notwithstanding any statutory provision to the contrary, Pledgor hereby waives the right to file a termination statement of any financing statement filed by Secured Party.

2.11 Insurance. Unless otherwise agreed, Pledgor will have and maintain insurance from financially sound carriers at all times with respect to all Collateral against risks of fire (including so-called extended coverage), theft, collision, flood, earthquake, "mysterious disappearance" and such other risks as Secured Party may require, containing such terms, in such form, for such periods and written by such companies as may be satisfactory to Secured Party; each insurance policy shall name Secured Party as loss payee and shall be payable to Secured Party and Pledgor as their interests may appear; all policies of insurance shall provide for ten days' written minimum cancellation notice to Secured Party; Pledgor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions.

2.12 Use of the Collateral. Pledgor will use the Collateral for business purposes only and operate it by qualified personnel in accordance with applicable manufacturers' manuals. Pledgor will keep the Collateral free from any adverse lien or encumbrance and in good working order, condition and repair and will not waste or destroy the Collateral or any part thereof; Pledgor will keep the Collateral appropriately protected from the elements, and will furnish all required parts and servicing (including any contract service necessary to maintain the benefit of any warranty of the manufacturer); Pledgor will not use the Collateral in violation of any statute, ordinance, regulation or order; and Secured Party may examine and inspect the Collateral and any and all books and records of Pledgor during business hours at any time; such right of inspection shall include the right to copy Pledgor's books and records and to converse with Pledgor's officers, employees, agents, and independent accountants.

2.13 Taxes and Assessments. Pledgor will pay promptly when due all taxes, assessments, levies, imposts, duties and charges, of any kind or nature, imposed upon the Collateral or for its use or operation or upon this Agreement or upon any instruments evidencing the obligations.

3.0 EVENTS OF DEFAULT

3.1 The following shall be considered events of default: (i) failure on the part of Pledgor or Obligor to promptly perform in complete accordance with its representations, warranties and covenants made in this Agreement or in any other agreement with Secured Party or any affiliate of Secured Party; (ii) default by Pledgor or Obligor under the provisions of any other material agreement to which such entity is party; (iii) the death of Pledgor if an individual or the dissolution of Pledgor if a business organization; (iv) the filing of any petition or complaint under the Federal Bankruptcy Code or other federal or state acts of similar nature, by or against Pledgor; or an assignment for the benefit of creditors by Pledgor; (v) an application for a Receiver, Trustee or Conservator, or the appointment of a Receiver, Trustee or Conservator, voluntary or involuntary, by or against Pledgor or for any substantial assets of Pledgor; (vi) insolvency of Pledgor under

either the Federal Bankruptcy Code or applicable principles of equity; (vii) entry of judgment, issuance of any garnishment or attachment, or filing of any lien, claim or government attachment against the Collateral or which, in Secured Party's sole discretion, might impair the Collateral; (viii) the determination by Secured Party that a material misrepresentation of fact has been made by Pledgor in this Agreement or in any writing supplementary or ancillary hereto; (ix) a determination by Secured Party that Pledgor has suffered a material adverse change in its financial condition, business or operations from the date of this Agreement; or (x) bankruptcy, insolvency, termination, death, dissolution or default of any guarantor for Pledgor.

4.0 REMEDIES

4.1 Upon the happening of any event of default which is not cured within ten (10) days or at any time thereafter: (i) all liabilities of Pledgor shall, at the option of Secured Party, immediately become due and payable; (ii) Secured Party shall have and may exercise all of the rights and remedies granted to a secured party under the Uniform Commercial Code; (iii) Secured Party shall have the right, immediately, and without notice or other action, to set-off against any of Pledgor's liabilities to Secured Party any money owed by Secured Party in any capacity to Pledgor, whether or not due, and Secured Party shall be deemed to have exercised such right of set-off and to have made a charge against any such money immediately upon the occurrence of such default event though actual book entries may be made at some time subsequent thereto; (iv) Secured Party may proceed with or without judicial process to take possession of all or any part of the Collateral; Pledgor agrees that upon receipt of notice of Secured Party's intention to take possession of all or any part of said Collateral, Pledgor will do everything necessary to make same available to Secured Party (including, without limitation, assembling the Collateral and making it available to Secured Party at a place designated by Secured Party which is reasonably convenient to Pledgor and Secured Party); and so long as Secured Party acts in a commercially reasonable manner, Pledgor agrees to assign, transfer and deliver at any time the whole or any portion of the Collateral or any rights or interest therein in accordance with the Uniform Commercial Code and without limiting the scope of Secured Party's rights thereunder; (v) Secured Party may sell the Collateral at public or private sale or in any other commercially reasonable manner and, at the option of Secured Party, in bulk or in parcels and with or without having the Collateral at the sale or other disposition, and Pledgor agrees that in case of sale or other disposition of the Collateral, or any portion thereof, Secured Party shall apply all proceeds first to all costs and expenses of disposition, including attorneys' fees, and then to Pledgor's obligations to Secured Party; (vi) Secured Party may elect to retain the Collateral or any part thereof in satisfaction of all sums due from Pledgor upon notice to Pledgor and any other party as may be required by the Uniform Commercial Code. All remedies provided in this paragraph shall be cumulative. Secured Party may exercise any one or more of such remedies in addition to any and all other remedies Secured Party may have under any applicable law or in equity.

4.2 **Expenses; Disposition.** Pledgor shall pay all reasonable expenses of realizing upon the Collateral hereunder upon default and collecting all liabilities of Pledgor to Secured Party, which reasonable expenses shall include attorneys' fees, whether or not litigation is commenced and whether incurred at trial, on appeal, or in any other proceeding. Any notification of a sale or other disposition of Collateral or of other action by Secured Party required to be given by Secured Party, will be sufficient if given personally, mailed, or delivered by facsimile machine or overnight carrier not less than five (5) days prior to the day on which such sale or other disposition will be made or action taken, and such notification shall be deemed reasonable notice.

Upon an event of default, any amounts due and to become due hereunder shall, without notice, bear interest, from the date such amounts are due until the earlier of the curing of such event of default or the date that the obligations have been paid in full, at a rate (the "Default Rate") which is the lesser of: (i) the maximum rate per annum which Secured Party is permitted by law to charge, or (ii) twelve percent (12%) per annum.

5.0 MISCELLANEOUS

5.1 **No Implied Waivers; Entire Agreement.** The waiver by Secured Party of any default hereunder or of any provisions hereof shall not discharge any party hereto from liability hereunder and such waiver shall be limited to the particular event of default and shall not operate as a waiver of any subsequent default. No modification of this Agreement or waiver of any right of Secured Party hereunder shall be valid unless in writing and signed by an authorized officer of Secured Party. No failure on the part of Secured Party to exercise, or delay in exercising, any right, power, privilege or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy. The provisions of this Agreement and the rights and remedies granted to Secured Party herein shall be in addition to, and not in limitation of those of any lease or other agreement with Secured Party or any other evidence of any liability held by Secured Party.

5.2 **Attorneys' Fees, Governing Law, Jury Waiver.** In any interpretation or enforcement of this Agreement and any related documents or any dispute related thereto or to the relationship between the parties, Pledgor shall pay Secured Party's legal expenses and reasonable attorneys' fees, including any incurred before and at trial, on appeal, in any other proceeding or without any litigation being filed. This Agreement, and the rights and liabilities of the parties shall be governed by and construed in accordance with the internal laws (without regard to the conflict of laws provisions) of the State of Minnesota, but giving effect to federal laws applicable to national banks. In the event of suit enforcing this Agreement, venue may, at Secured Party's option, be laid in the State of Minnesota. Service of process by overnight courier, will be sufficient to confer personal jurisdiction over the Pledgor. SECURED PARTY AND PLEDGOR EACH WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY LITIGATION ARISING FROM OR RELATED TO THIS AGREEMENT.

5.3 Late Charge. If any of the obligations remains overdue for more than five (5) days, Pledgor hereby agrees to pay on demand, as a late charge, an amount equal to the lesser of (i) seven and one-half percent (7.5%) of each such overdue amount; or (ii) the maximum percentage of any such overdue amount permitted by applicable law as a late charge.

5.4 Protection of the Collateral. At its option, Secured Party may discharge taxes, liens or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. Pledgor agrees to reimburse Secured Party on demand for any payment made or any expense incurred by Secured Party pursuant to the foregoing authorization. Any payments made by Secured Party shall be immediately due and payable by Pledgor and shall bear interest at the rate of fifteen percent (15%) per annum. Until default, Pledgor may retain possession of the Collateral and use it in any lawful manner not inconsistent with the provisions of this Agreement and any other agreement between Pledgor and Secured Party, and not inconsistent with any policy of insurance thereon.

5.5 Binding Agreement; Time of the Essence. This Agreement shall take effect as a sealed instrument and shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors, and assigns. Pledgor acknowledges that time is of the essence with respect to the performance of its obligations under this Agreement or any other agreement between Pledgor and Secured Party.

5.6 Enforceability. Any term, clause or provision of this Agreement or of any evidence of indebtedness from Pledgor to Secured Party which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining terms or clauses of such provision or the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such term, clause or provision in any other jurisdiction.

5.7 Notices. Any notices or demands required to be given herein shall be given to the parties in writing by United States first class mail (express, certified or otherwise) at the addresses set forth on page 1 of this Agreement or to such other addresses as the parties may hereafter substitute by written notice given in the manner prescribed in this paragraph.

5.8 Additional Security. If there shall be any other collateral for any of the obligations, or for the obligations of any guarantor thereof, Secured Party may proceed against and/or enforce any or all of the Collateral and such collateral in whatever order it may, in its sole discretion, deem appropriate. Any amount(s) received by Secured Party from whatever source and applied by it to any of the obligations shall be applied in such order of application as Secured Party shall from time to time, in its sole discretion, elect.

6.0 ASSIGNMENT

6.1 SECURED PARTY MAY SELL OR ASSIGN ANY AND ALL RIGHT, TITLE AND INTEREST IT HAS IN THE COLLATERAL AND/OR ARISING UNDER THIS AGREEMENT AND/OR UNDER ANY INSTRUMENT EVIDENCING INDEBTEDNESS FROM PLEDGOR TO SECURED PARTY. PLEDGOR SHALL, UPON THE DIRECTION OF SECURED PARTY: 1) EXECUTE ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH ASSIGNMENT AND, 2) PAY DIRECTLY AND PROMPTLY TO SECURED PARTY'S ASSIGNEE WITHOUT ABATEMENT, DEDUCTION OR SET-OFF, ALL AMOUNTS WHICH HAVE BECOME DUE UNDER THE INSTRUMENTS ASSIGNED. SECURED PARTY'S ASSIGNEE SHALL HAVE ANY AND ALL RIGHTS, IMMUNITIES AND DISCRETION OF SECURED PARTY HEREUNDER AND SHALL BE ENTITLED TO EXERCISE ANY REMEDIES OF SECURED PARTY HEREUNDER. ALL REFERENCES HEREIN TO SECURED PARTY SHALL INCLUDE SECURED PARTY'S ASSIGNEE (EXCEPT THAT SAID ASSIGNEE SHALL NOT BE CHARGEABLE WITH ANY OBLIGATIONS OR LIABILITIES HEREUNDER OR IN RESPECT HEREOF). PLEDGOR WILL NOT ASSERT AGAINST SECURED PARTY'S ASSIGNEE ANY DEFENSE, COUNTERCLAIM OR SET-OFF WHICH PLEDGOR MAY HAVE AGAINST SECURED PARTY.

7.0 SCHEDULE OF COLLATERAL

ONE (1) GP39-2 LOCOMOTIVE WITH MARK AND NUMBER DAIR 2510;
ONE (1) GP50 LOCOMOTIVE WITH MARK AND NUMBER DAIR 2513;

TOGETHER WITH ALL REPLACEMENTS, PARTS, REPAIRS, ADDITIONS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN OR AFFIXED OR ATTACHED THERETO AND ANY AND ALL PROCEEDS OF THE FOREGOING, INCLUDING, WITHOUT LIMITATION, INSURANCE RECOVERIES.

8.0 POWER OF ATTORNEY

8.1 Secured Party is hereby appointed Pledgor's attorney-in-fact to sign Pledgor's name and to make non-material amendments (including completing and conforming the description of the Collateral) on any document in connection with this Agreement and to obtain, adjust, settle, and cancel any insurance required by this Agreement and to endorse any drafts in connection with such insurance.

In Witness Whereof, the parties hereto have caused this Pledge Agreement to be duly executed the 30th day of December, 2014.

U.S. Bank Equipment Finance, a division of U.S. Bank National Association

D & I Railroad [Pledgor]

By: Melissa Kaul
An authorized officer thereof

By: Steve Mausel
Print Name: Steve Mausel
Print Title: Sec./Treas.

STATE OF Oregon)
County of Washington)SS.

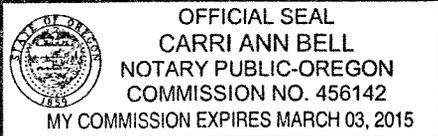
STATE OF South Dakota)
County of Mingreaha)SS.

On Jan 6, 2015 personally appeared before me, Melissa Kaul, who being duly sworn, stated that he/she is the Vice President of U.S. Bank Equipment Finance, a division of U.S. Bank National Association, acknowledged the foregoing instrument as voluntary act and deed of the Company by virtue of authority from its Board of Directors.

On 12/30/14, Steve Mausel personally appeared before me, Christine M. Sammons, who being duly sworn, stated that he/she is the Sec/Treas of D & I Railroad Co., acknowledged the foregoing instrument as voluntary act and deed of the Company by virtue of authority from its Board of Directors.

Before me:
Carri Bell
Notary Public for Oregon
My Commission Expires: 3-3-15

Before me:
Christine M. Sammons
Notary Public for South Dakota
My Commission Expires: 7/9/19



02/14

ADDRESS FOR ALL NOTICES TO SECURED PARTY:
PO Box 230789
Portland, OR 97281-0789