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April 29, 2004

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Via E-File Transmission

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

RE: Memorandum of Security Interest
Our File: DM-100-05.BS

Dear Secretary Williams:

Attached hereto, in compliance with 49 CFR § 1177.3, please find the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Memorandum of Security Interest, a primary document, dated April 1, 2004.

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

Secured Party: Fishback Financial Corporation
PO Box 5057
2220 Sixth Street
Brookings, SD 57006-5057

Debtor: Dakota, Minnesota & Eastern Railroad Corp.
140 N. Phillips Ave.
Sioux Falls, SD 57104

A description of the equipment covered by the document is:

One Hundred Thirty-Nine (139) covered hopper railcars bearing DME reporting marks in the DME 52000 series.

*Surface Transportation Board
139 Covered Hopper Railcars DME 52000 Series
April 29, 2004 - Page 2*

Our STB account number for the required fee of \$30.00 is 22773.

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

Primary Document - Memorandum of Security Interest dated April 1, 2004.

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

Sincerely,

CUTLER & DONAHOE, LLP



Brian J. Donahoe

For the Firm

Attorneys for Dakota, Minnesota & Eastern Railroad
Corp.

BJD:lk

Attachments

cc: Gary Fish

David Gibson, First Nat'l Bank

MEMORANDUM OF SECURITY AGREEMENT dated as of April 1st, 2004,
between

DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION (hereinafter
called the Borrower)
140 N. Phillips Avenue
Sioux Falls, SD 57104

and

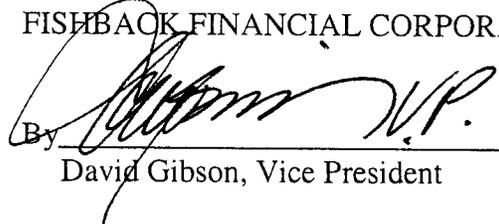
FISHBACK FINANCIAL CORPORATION (hereinafter called the Lender)
PO Box 5057
2220 Sixth Street
Brookings, SD 57006-5057

⁵ The Borrower and the Lender are entering into the Security Agreement dated as of April
1, 2004 pursuant to which the Borrower grants to the Lender a security interest in **all of the
Borrower's right, title and interest in those certain railroad cars particularly described in
Exhibit A hereto**, together with all products and proceeds of the foregoing.

The parties wish to show for the public record the security interest in the aforesaid
property in favor of the Lender, and accordingly have caused this memorandum to be executed
by their officers thereunto duly authorized, as of the date first above written.

LENDER:

FISHBACK FINANCIAL CORPORATION

By  V.P.
David Gibson, Vice President

BORROWER:

DAKOTA, MINNESOTA & EASTERN
RAILROAD CORPORATION

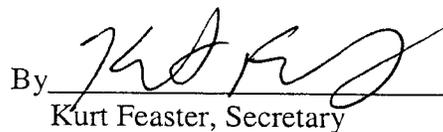
By 
Kurt Feaster, Secretary

EXHIBIT A

One Hundred Thirty-Nine (139) covered hopper railcars bearing DME reporting marks as follows:

DME 52000 through DME 52010	11 railcars
DME 52012 through DME 52031	20 railcars
DME 52033	1 railcar
DME 52035 through DME 52040	6 railcars
DME 52042 through DME 52045	4 railcars
DME 52047 through DME 52059	13 railcars
DME 52061 through DME 52067	7 railcars
DME 52069 through DME 52072	4 railcars
DME 52074 through DME 52102	29 railcars
DME 52105 through DME 52126	22 railcars
DME 52128 through DME 52139	12 railcars
DME 52141 through DME 52150	<u>10 railcars</u>
	139 railcars