

RECORDATION NO. 25957 FILED

NOV 04 '05

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SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

November 4, 2005

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 Equipment Lease and Lease Supplement No. 1, dated as of November 4, 2005, 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: The DM&E Railcar Statutory Trust No. 2005-1
by: Wells Fargo Bank, N.A.
213 Court Street
Suite 703
Middletown, CT 06457

Lessee: Dakota, Minnesota &
Eastern Railroad Corporation
140 N. Philips Avenue
Sioux Falls, SD 57104

Mr. Vernon A. Williams
November 4, 2005
Page Two

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

165 grain hopper cars within the series DME 51722 – DME 51898

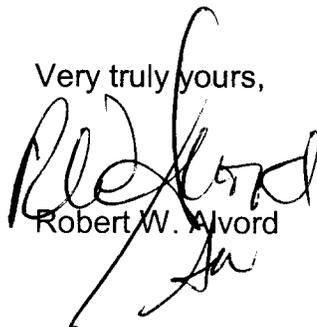
A short summary of the document to appear in the index follows:

Memorandum of Equipment Lease and Lease Supplement No. 1

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF
EQUIPMENT LEASE
AND
LEASE SUPPLEMENT NO. 1**

This Memorandum of Equipment Lease and Lease Supplement No. 1 is made and entered by and between The DM&E Railcar Statutory Trust No. 2005-1 (hereinafter referred to as "Lessor") and Dakota, Minnesota & Eastern Railroad Corporation (hereinafter referred to as "Lessee"), respecting that certain Equipment Lease, dated as of November 4, 2005, between Lessor and Lessee (as supplemented, the "Lease") and that certain Lease Supplement No. 1, dated as of November 4, 2005, between Lessor and Lessee (the "Lease Supplement").

Pursuant to the provisions of the Lease and the Lease Supplement, Lessor and Lessee hereby affirm and acknowledge that:

1. For good and valuable consideration, Lessor has agreed to lease to the Lessee and the Lessee has agreed to lease from the Lessor certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto, subject to the terms of the Lease and Lease Supplement.

2. Lessor and Lessee further acknowledge and affirm that this Memorandum of Equipment Lease and Lease Supplement No. 1 is not a summary of the Lease and the Lease Supplement nor a complete recitation of the terms and provisions thereof. Accordingly, Lessor and Lessee hereby agree that in the event of a conflict between this Memorandum of Equipment Lease and Lease Supplement No. 1 and the provisions of the Lease and the Lease Supplement, the provisions of the Lease and the Lease Supplement shall control.

3. This Memorandum of Equipment Lease and Lease Supplement No. 1 is prepared only for the public record and is being recorded with the Surface Transportation Board pursuant to 49 U.S.C. Section 11301(a) and with the Register General of Canada pursuant to Section 105 of the Canada Transportation Act (Canada).

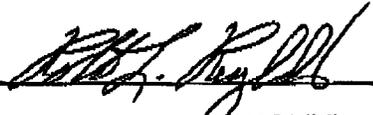
[signature page follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Equipment Lease and Lease Supplement No. 1 to be duly executed as of November ____, 2005.

LESSOR:

THE DM&E RAILCAR STATUTORY TRUST NO. 2005-1

By: WELLS FARGO BANK, N.A., not in its individual capacity, but solely as Owner Trustee

By: 

Name: ROBERT L. REYNOLDS
VICE PRESIDENT

Title: _____

LESSEE:

DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Equipment Lease and Lease Supplement No. 1 to be duly executed as of November 3, 2005.

LESSOR:

THE DM&E RAILCAR STATUTORY TRUST NO. 2005-1

By: WELLS FARGO BANK, N.A., not in its individual capacity, but solely as Owner Trustee

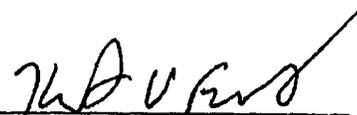
By: _____

Name: _____

Title: _____

LESSEE:

DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION

By: 

Name: Kurt V. Feaster, Sr. V.P.

Title: Chief Financial Officer & Secretary

STATE OF)
) SS:
COUNTY OF)

On this ___ day of November, 2005, before me personally appeared _____, to me personally known, who being duly sworn, says that (s)he is _____ of Dakota, Minnesota & Eastern Railroad Corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its _____, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(NOTARIAL SEAL)

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STATE OF CONNECTICUT)
) SS:
COUNTY OF MIDDLESEX)

On this 4th day of November, 2005, before me personally appeared Robert L. Reynolds to me personally known, who being duly sworn, says that (s)he is VICE PRESIDENT of Wells Fargo Bank, N.A., that said instrument was signed and sealed on behalf of said national banking association by authority of its By-LAWS, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

(NOTARIAL SEAL)

William Kotkosky
WILLIAM KOTKOSKY
NOTARY PUBLIC
MY COMMISSION EXPIRES FEB. 28, 2007

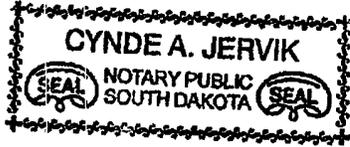
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STATE OF South Dakota)
) SS:
COUNTY OF Minnehaha)

On this 3 day of Nov., before me personally appeared Kurt V. Foaster,
to me personally known, who being duly sworn, says that (s)he is SR. VP + CEO of
, that said instrument was signed and sealed on behalf of said corporation by authority of its
DM & E Railroad, and (s)he acknowledged that the execution of the foregoing
instrument was the free act and deed of said corporation.

(NOTARIAL SEAL)



Cynde A. Jervik
CYNDE JERVIK
My Commission Expires
June 15, 2006

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EXHIBIT A

Cars

The one hundred sixty-five (165) 5161 cubic foot capacity grain hopper cars bearing roadmarks and numbers:

DME 51722	DME 51765	DME 51806
DME 51723	DME 51766	DME 51807
DME 51724	DME 51767	DME 51809
DME 51725	DME 51768	DME 51810
DME 51726	DME 51769	DME 51811
DME 51727	DME 51770	DME 51812
DME 51729	DME 51771	DME 51813
DME 51730	DME 51772	DME 51814
DME 51731	DME 51773	DME 51815
DME 51732	DME 51774	DME 51816
DME 51733	DME 51775	DME 51817
DME 51734	DME 51776	DME 51818
DME 51735	DME 51777	DME 51819
DME 51736	DME 51778	DME 51820
DME 51737	DME 51781	DME 51821
DME 51738	DME 51782	DME 51822
DME 51740	DME 51783	DME 51823
DME 51741	DME 51784	DME 51824
DME 51742	DME 51785	DME 51825
DME 51743	DME 51786	DME 51826
DME 51744	DME 51787	DME 51827
DME 51745	DME 51788	DME 51828
DME 51746	DME 51789	DME 51829
DME 51747	DME 51790	DME 51830
DME 51748	DME 51791	DME 51831
DME 51749	DME 51792	DME 51832
DME 51750	DME 51793	DME 51833
DME 51751	DME 51794	DME 51834
DME 51752	DME 51795	DME 51835
DME 51753	DME 51796	DME 51836
DME 51755	DME 51797	DME 51837
DME 51756	DME 51798	DME 51838
DME 51757	DME 51799	DME 51839
DME 51758	DME 51800	DME 51840
DME 51759	DME 51801	DME 51841
DME 51760	DME 51802	DME 51842
DME 51762	DME 51803	DME 51844
DME 51763	DME 51804	DME 51845
DME 51764	DME 51805	DME 51846

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DME 51899

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 with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

11/4/05



Robert W. Alvord