

RECORDATION NO. 25957-A FILED

NOV 04 '05 3-50 PM

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 Security Agreement, dated as of November 4, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to Memorandum of Lease which is being filed with the Board under Recordation Number 25957.

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

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

Secured Party: The DM&E Railcar Statutory Trust No. 2005-1  
by: Wells Fargo Bank, N.A.  
213 Court Street  
Suite 703  
Middletown, CT 06457

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

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

35 grain hopper cars within the series DME 51700 – DME 51885

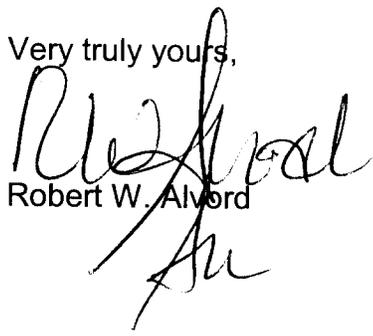
A short summary of the document to appear in the index follows:

Memorandum of Security Agreement

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. Alford

RWA/anm  
Enclosures

NOV 04 '05

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**MEMORANDUM OF  
SECURITY AGREEMENT**

SURFACE TRANSPORTATION BOARD

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

Pursuant to the provisions of the Security Agreement, Secured Party and DM&E hereby affirm and acknowledge that:

1. For good and valuable consideration, DM&E has granted to Secured Party a first priority security interest in certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto, subject to the terms of the Security Agreement.
2. DM&E and Secured Party further acknowledge and affirm that this Memorandum of Security Agreement is not a summary of the Security Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, DM&E and Secured Party hereby agree that in the event of a conflict between this Memorandum of Security Agreement and the provisions of the Security Agreement, the provisions of the Security Agreement shall control.
3. This Memorandum of Security Agreement 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).

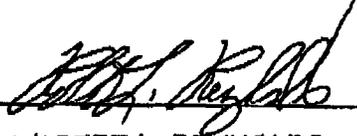
[signature page follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Security Agreement to be duly executed as of November \_\_, 2005.

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

DAKOTA, MINNESOTA & EASTERN  
RAILROAD CORPORATION

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

By:   
Name: ROBERT L. REYNOLDS  
VICE PRESIDENT  
Title: \_\_\_\_\_

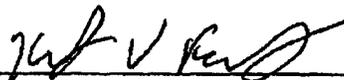
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Security Agreement to be duly executed as of November 3, 2005.

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

DAKOTA, MINNESOTA & EASTERN  
RAILROAD CORPORATION

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

By: 

By: \_\_\_\_\_

Name: Kurt V. Feaster, Sr. V.P.,  
Title: Chief Financial Officer & Secretary

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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 4<sup>th</sup> 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. 29, 2007

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## EXHIBIT A

### Cars

The thirty-five (35) 5161 cubic foot capacity grain hopper cars bearing roadmarks and numbers:

DME	51700
DME	51701
DME	51702
DME	51703
DME	51704
DME	51705
DME	51706
DME	51707
DME	51708
DME	51709
DME	51710
DME	51711
DME	51712
DME	51713
DME	51714
DME	51715
DME	51716
DME	51717
DME	51718
DME	51719
DME	51720
DME	51721
DME	51728
DME	51739
DME	51754
DME	51761
DME	51779
DME	51780
DME	51808
DME	51843
DME	51848
DME	51849
DME	51858
DME	51859
DME	51885

**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