

MAY 14 '07

4-35 PM

**SURFACE TRANSPORTATION BOARD**

P 612.672.8200  
F 612.672.8397

www.maslon.com

3300 WELLS FARGO CENTER  
90 SOUTH SEVENTH STREET  
MINNEAPOLIS, MINNESOTA  
55402-4140

May 11, 2007



**Mark Klos**  
Direct Phone: (612) 672-8346  
Direct Fax: (612) 642-8346  
mark.klos@maslon.com

**VIA FEDERAL EXPRESS**

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street N.W.  
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 1, 2006, which includes a list of additional collateral to be recorded as a secondary document to the original Memorandum of Security Agreement dated June 1, 2006 and filed as STB Recordation Number 26622.

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

Secured Party:	BNC National Bank 322 East Main Bismarck, ND 58501
Debtor:	Dakota Missouri Valley & Western Railroad, Inc. 1131 S. 22 <sup>nd</sup> Street Bismarck, ND 58504

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

Three (3) locomotives marked DMVW taken as additional collateral. See the attached *Exhibit A-1* for specific car numbers.

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

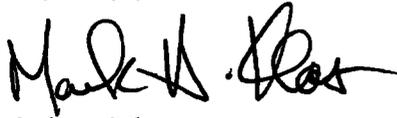
Memorandum of Security Agreement – Adding Collateral.

May 11, 2007  
Page 2

Please also find enclosed a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mark A. Klos". The signature is written in a cursive style with a large initial "M" and a long, sweeping tail.

Mark A. Klos

Enclosures

MAY 14 '07

4-35 PM

**MEMORANDUM OF SECURITY AGREEMENT**  
**SURFACE TRANSPORTATION BOARD**

THIS MEMORANDUM OF SECURITY AGREEMENT is made and entered into as of this 1<sup>st</sup> day of November, 2006, by and between **DAKOTA, MISSOURI VALLEY AND WESTERN RAILROAD, INC.**, a North Dakota corporation, as debtor (herein called the "**Debtor**") and **BNC NATIONAL BANK** (herein, with its participants, successors and assigns, called the "**Lender**"), as secured party.

The Debtor has requested the Lender to make loans to the Debtor pursuant to that certain Loan Agreement by and between the Debtor and Lender dated June 1, 2006, as amended (the "Loan Agreement").

As consideration for the loans which have been or will be made to the Debtor pursuant to the Loan Agreement, the Debtor has executed that certain Security Agreement in favor of the Lender, dated June 1, 2006, and amended as of the date hereof to add additional Collateral (as so amended, the "Security Agreement"), and granted to the Lender a security interest in, among other things, all of the following properties, assets and rights of the Debtor, wherever located, whether now owned or hereafter acquired and (i) all accessions, additions and improvements to, replacements of and substitutions for any of the following; (ii) all products and proceeds thereof; and (iii) all books, records and data, in any form, relating to the railway rolling stock consisting primarily of the additional locomotives described on *Exhibit A-1* attached hereto (the "Collateral").

As contemplated by the Security Agreement, the Lender and Debtor hereby make this Memorandum of Security Agreement to confirm and perfect the Lender's security interest in the Collateral. The Lender and Debtor further acknowledge and confirm that this Memorandum of Security Agreement is not a summary of the Security Agreement, nor a complete recitation of the terms and provisions thereof. According, the Lender and Debtor 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.

458503 2

[SIGNATURE PAGES FOLLOW]

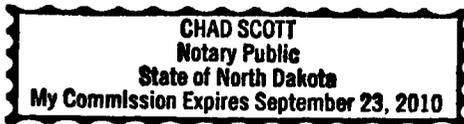


STATE OF North Dakota        )  
  ) ss.  
COUNTY OF Burleigh         )

On this 30 day of October, 2006, before me, personally appeared Larry Wood, to me personally known, who being by me duly sworn, says that he is the Chief Financial Officer of Dakota, Missouri Valley & Western Railroad, Inc., a North Dakota corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



\_\_\_\_\_  
Notary Public



*Exhibit A-1*

**Additional Collateral Description**

<b>Item</b>	<b>Year</b>	<b>Model/Description</b>	<b>DMVW Road Number</b>
1.	1969	EMD SD45 Diesel Electric Locomotive	DMVW 7505
2.	1969	EMD SD45 Diesel Electric Locomotive	DMVW 7510
3.	1969	EMD SD45 Diesel Electric Locomotive	DMVW 7517