

COMMERCE
BANK



December 4, 2004

FEDERAL EXPRESS

Vernon A. Williams, Secretary
Surface Transportation Board
Washington, DC 20423

RECORDATION NO. 25356 FILED

DEC 17 '04

12-58 PM

Dear Mr. Williams:

SURFACE TRANSPORTATION BOARD

I have enclosed for recordation an original and one counterpart of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

The document is a Memorandum of Security Agreement, a "primary document" dated November 29, 2004, by and among the following parties:

Secured Party: **COMMERCE BANK**
7650 Edinborough Way, Suite 150
Edina, Minnesota 55435

Debtors: **PROGRESSIVE RAIL INCORPORATED**
GREAT WESTERN SUPPLY COMPANY, LLC,
3-D TRUCKING, LLC
RAIL RETRIEVERS LOGISTICS, LLC
PGR SERVICES, LLC

21778 Highview Avenue
Lakeville, Minnesota 55044

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

All business assets including, but not limited to:

Five (5) Electromotive SW 1500 Locomotives, Unit Nos. PGR 36, PGR 37, PGR 67,
PGR 74 and PGR 2347;

One (1) Electromotive SD39 Locomotive, Unit No. PGR 40;

Fifty-nine (59) RBL boxcars bearing PGR reporting marks with road mark numbers
contained within Series 2669-2749; and

Sixteen (16) RBL boxcars bearing PGR reporting marks with road mark numbers
contained within Series 1315-1346.

Centennial Lakes Office

7650 Edinborough Way
Suite 150 ■ Edina, MN 55435

OFFICE: 952/841-9750
FAX: 952/841-9755

www.commercebankmn.com

A detailed listing of the above equipment is attached hereto as
Exhibits A, A-1 and A-2.

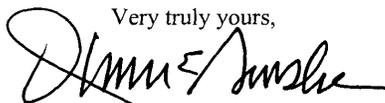
Vernon A. Williams, Secretary
Surface Transportation Board
December 4, 2004
Page 2 of 2

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

Memorandum of Security Agreement

A fee of \$32 is enclosed. Please return stamped copies of the enclosed document to the undersigned at the above address for Lender.

Very truly yours,

A handwritten signature in black ink, appearing to read "James E. Senske". The signature is written in a cursive, flowing style with a large initial "J".

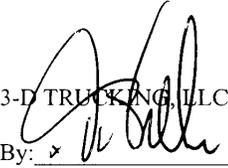
James E. Senske
President

JES:ndt
Enclosures

MEMORANDUM OF SECURITY AGREEMENT

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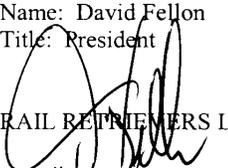
3-D TRUCKING, LLC

By:  _____

Name: David Fellon

Title: President

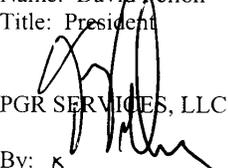
RAIL RETRIEVERS LOGISTICS, LLC

By:  _____

Name: David Fellon

Title: President

PGR SERVICES, LLC

By:  _____

Name: David Fellon

Title: President

COMMERCE BANK

By:  _____

Name: James E. Senske

Title: President

Exhibit A

Description of Locomotives Five (5) Electromotive SW1500 Locomotives

Count	Unit No.
1	PGR 36
2	PGR 37
3	PGR 67
4	PGR 74
5	PGR 2347

One (1) Electromotive SD39 Locomotive

Count	Unit No.
1	PGR 40

Exhibit A-1

**Description of Boxcars
Fifty-nine (59) Reconditioned R610 60' 100-Ton Insulated Boxcars**

	Count	Old Car #	New Car #		Count	Old Car #	New Car #	
Supplement #1	1	TPIX002723	PGR 2723	Supplement #5	31	TPIX002670	PGR 2670	
	2	TPIX002726	PGR 2726		32	TPIX002688	PGR 2688	
	3	TPIX002682	PGR 2682		33	TPIX002724	PGR 2724	
	4	TPIX002731	PGR 2731		34	TPIX002728	PGR 2728	
	5	TPIX002717	PGR 2717		35	TPIX002710	PGR 2710	
	6	TPIX002702	PGR 2702		36	TPIX002747	PGR 2747	
Supplement #2	7	TPIX002741	PGR 2741	Supplement #6	37	TPIX002713	PGR 2713	
	8	TPIX002676	PGR 2676		38	TPIX002715	PGR 2715	
	9	TPIX002678	PGR 2678		39	TPIX002735	PGR 2735	
	10	TPIX002686	PGR 2686		40	TPIX002718	PGR 2718	
	11	TPIX002690	PGR 2690		41	TPIX002749	PGR 2749	
	12	TPIX002699	PGR 2699		42	TPIX002692	PGR 2692	
	13	TPIX002719	PGR 2719		43	TPIX002680	PGR 2680	
	14	TPIX002720	PGR 2720		44	TPIX002697	PGR 2697	
	15	TPIX002739	PGR 2739		45	TPIX002745	PGR 2745	
	16	TPIX002740	PGR 2740		Supplement #7	46	TPIX002684	PGR 2684
	17	TPIX002748	PGR 2748			47	TPIX002696	PGR 2696
Supplement #3	18	TPIX002701	PGR 2701	48		TPIX002685	PGR 2685	
	19	TPIX002746	PGR 2746	49	TPIX002711	PGR 2711		
	20	TPIX002669	PGR 2669	Supplement #8	50	TPIX002703	PGR 2703	
	21	TPIX002693	PGR 2693		51	TPIX002673	PGR 2673	
	22	TPIX002700	PGR 2700		52	TPIX002691	PGR 2691	
	23	TPIX002712	PGR 2712		53	TPIX002729	PGR 2729	
Supplement #4	24	TPIX002742	PGR 2742		54	TPIX002736	PGR 2736	
	25	TPIX002733	PGR 2733		Supplement #9	55	TPIX002681	PGR 2681
	26	TPIX002674	PGR 2674	56		TPIX002744	PGR 2744	
	27	TPIX002679	PGR 2679	57		TPIX002694	PGR 2694	
	28	TPIX002705	PGR 2705	58		TPIX002730	PGR 2730	
	29	TPIX002709	PGR 2709	59		TPIX002738	PGR 2738	
	30	TPIX002725	PGR 2725					

Exhibit A-2

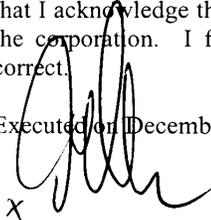
**Description of Boxcars
Sixteen (16) R610 60' 100-Ton Insulated Boxcars**

Count	Old Car #	New Car #	Count	Old Car #	New Car #
1	HCGX1315	PGR 1315	9	HCGX1331	PGR 1331
2	HCGX1316	PGR 1316	10	HCGX1333	PGR 1333
3	HCGX1317	PGR 1317	11	HCGX1337	PGR 1337
4	HCGX1320	PGR 1320	12	HCGX1339	PGR 1339
5	HCGX1321	PGR 1321	13	HCGX1340	PGR 1340
6	HCGX1323	PGR 1323	14	HCGX1341	PGR 1341
7	HCGX1325	PGR 1325	15	HCGX1345	PGR 1345
8	HCGX1329	PGR 1329	16	HCGX1346	PGR 1346

CORPORATE FORM OF ACKNOWLEDGEMENT

I, **David Fellon**, certify that I am President of Progressive Rail Incorporated, that the seal affixed to the forgoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the corporation. I further declare under penalty of perjury that the foregoing is true and correct.

Executed on December 7, 2004.


X

Signature

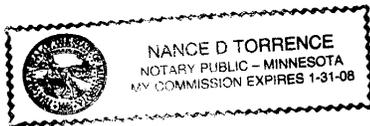
State of Minnesota
County of Hennepin ss:

On this 7th day of December, 2004 before me personally appeared **David Fellon**, to me personally known, who being by me duly sworn, says that he is the **President of Progressive Rail Incorporated**, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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.

No Seal

Signature of Notary Public Nance D. Torrence

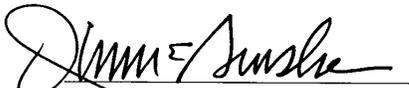
My commission expires January 31, 2008



CORPORATE FORM OF ACKNOWLEDGEMENT

I, **James E. Senske**, certify that I am President of Commerce Bank, that the seal affixed to the forgoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the corporation. I further declare under penalty of perjury that the foregoing is true and correct.

Executed on December 7, 2004


Signature

State of Minnesota
County of Hennepin ss:

On this 7th day of December, 2004 before me personally appeared **James E. Senske**, to me personally known, who being by me duly sworn, says that he is the **President of Commerce Bank**, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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.

No Seal

Signature of Notary Public Nance D. Torrence

My commission expires January 31, 2008

