

RECORDATION NO. 25506-A FILED

MAR 18 '05 1-53 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

March 18, 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 Commercial Security Agreement, dated as of February 2, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Full Maintenance Lease Agreement which is being filed with the Board under Recordation Number _____.

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

Secured Party: The Business Bank
11100 Wayzata Boulevard
Suite 150
Minnetonka, Minnesota 55305-5530

Debtor: Steel Wheels LLC
21778 Highview Avenue
Lakeville, Minnesota 55044

Mr. Vernon A. Williams
March 18, 2005
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A description of the railroad equipment covered by the enclosed document
is:

60 open top hopper cars within the series STWX 51125 - STWX 51233
(formerly within the series NIHX 51125 - NIHX 51233) as specifically set
forth in the schedule attached to the document.

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

Memorandum of Commercial Security Agreement.

Also enclosed is a check in the amount of \$32.00 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,



Robert W. Alvord

RWA/anm
Enclosures

RECORDATION NO. 25506-A FILED

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

BETWEEN

**THE BUSINESS BANK
("SECURED PARTY")**

AND

**STEELWHEELS, LLC
("DEBTOR")**

February 2, 2005

Memorandum of Commercial Security Agreement made and entered into as of February 2, 2005, by and between The Business Bank, a Minnesota corporation ("Lender"), and Steelwheels LLC, a Minnesota Limited Liability Company ("Borrower").

W I T N E S S E T H:

To secure all obligations of the Borrower under a certain Commercial Security Agreement dated as of February 2, 2005 (the "Loan Agreement"), and that certain Promissory Note dated February 2, 2005, Borrower hereby assigns to Lender all of Borrower's rights, title and interest in, the railcars set forth and described on the Schedule of Railcars attached hereto (the railcars on the aforementioned Schedule of Railcars shall hereinafter be called the "Railcars"), as such Schedule of Railcars may be amended from time to time, and grants to Lender a first priority security interest in: (i) the Railcars; (ii) Borrower's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Railcars owned or hereinafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of the Railcars, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Borrower on account of the lease, sale, loss or other disposition of the Railcars; (iv) that certain

Full Maintenance Lease Agreement dated January 20, 2005 by and between Borrower (as Lessor) and Carolina Stalite Company a North Carolina Limited Liability Company. (as Lessee), and any additional Equipment Riders and schedules thereto (together, the "Lease") and all bills of sales or other similar documents, agreements and instruments relating to the Railcars, and all other leases, chattel paper, agreements, accounts, bank or deposit accounts and instruments relating to the Railcars, whether now existing or hereafter arising (collectively, the "Documentary Security" or "Security Documentation"), together with all of Borrower's estate, right, title, interest, claims and demands in, to and under such documents, agreements and instruments including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Borrower including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder, and (v) all rent, damages and other moneys from time to time payable to or receivable by Borrower under the Documentary Security (the Railcars, Documentary Security, proceeds, rights, claims and causes of action described in items (i) through (v) above being herein sometimes collectively called the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

This Memorandum of Commercial Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Commercial Security Agreement.

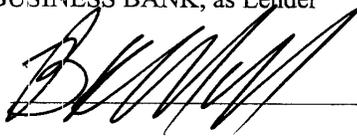
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

THE BUSINESS BANK, as Lender

By: _____

Title: Vice President

Date: _____



2/2/05

STEELWHEELS, LLC as Borrower

By: [Signature]

Title: _____

Date: 2-2-2005

STEELWHEELS, LLC as Borrower

By: [Signature]

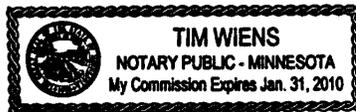
Title: CHIEF FINANCIAL MGR

Date: 2/2/05

STATE OF _____)
)
COUNTY OF _____) ss.

On this 2nd day of Feb, 2005, before me personally appeared Brian R. Munderloh, to me personally known, who being by me duly sworn, says that he is the Vice President of The Business Bank, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC



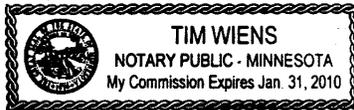
My commission expires:

[Signature]

STATE OF _____)
)
COUNTY OF _____) ss.

On this 2nd day of Feb, 2005, before me personally appeared David J. Fellon, to me personally known, who being by me duly sworn, says that he is the Manager of Steelwheels LLC, a Minnesota Limited Liability Company that the foregoing instrument was signed on behalf of Steelwheels LLC, and he acknowledged that the execution of the said instrument was his free act and deed.

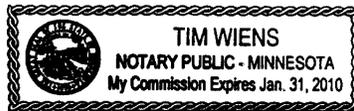
NOTARY PUBLIC



My commission expires:

On this 2nd day of Feb, 2005, before me personally appeared Timothy C. Eklund, to me personally known, who being by me duly sworn, says that he is the Chief Financial Manager of Steelwheels LLC, a Minnesota Limited Liability Company that the foregoing instrument was signed on behalf of Steelwheels LLC, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC



My commission expires:

A handwritten signature in cursive script, appearing to read "Timothy C. Eklund".

SCHEDULE OF RAILCARS

Sixty (60) 3,433 c.f. 100 ton hopper railcars with 204,600 lb GRL. New RUNNING MARKS:

CAR	MARK	CAR	MARK
1	STWX 51125	31	STWX 51179
2	STWX 51128	32	STWX 51183
3	STWX 51130	33	STWX 51185
4	STWX 51131	34	STWX 51186
5	STWX 51134	35	STWX 51189
6	STWX 51135	36	STWX 51190
7	STWX 51137	37	STWX 51192
8	STWX 51138	38	STWX 51194
9	STWX 51139	39	STWX 51195
10	STWX 51140	40	STWX 51196
11	STWX 51142	41	STWX 51197
12	STWX 51144	42	STWX 51198
13	STWX 51145	43	STWX 51200
14	STWX 51146	44	STWX 51205
15	STWX 51148	45	STWX 51206
16	STWX 51150	46	STWX 51209
17	STWX 51151	47	STWX 51210
18	STWX 51152	48	STWX 51212
19	STWX 51155	49	STWX 51215
20	STWX 51156	50	STWX 51216
21	STWX 51157	51	STWX 51218
22	STWX 51159	52	STWX 51219
23	STWX 51160	53	STWX 51221
24	STWX 51162	54	STWX 51222
25	STWX 51163	55	STWX 51226
26	STWX 51165	56	STWX 51228
27	STWX 51168	57	STWX 51229
28	STWX 51172	58	STWX 51230
29	STWX 51174	59	STWX 51231
30	STWX 51175	60	STWX 51233

Present RUNNING MARKS

	CAR	MARK		CAR	MARK
1	NIHX	51125	31	NIHX	51179
2	NIHX	51128	32	NIHX	51183
3	NIHX	51130	33	NIHX	51185
4	NIHX	51131	34	NIHX	51186
5	NIHX	51134	35	NIHX	51189
6	NIHX	51135	36	NIHX	51190
7	NIHX	51137	37	NIHX	51192
8	NIHX	51138	38	NIHX	51194
9	NIHX	51139	39	NIHX	51195
10	NIHX	51140	40	NIHX	51196
11	NIHX	51142	41	NIHX	51197
12	NIHX	51144	42	NIHX	51198
13	NIHX	51145	43	NIHX	51200
14	NIHX	51146	44	NIHX	51205
15	NIHX	51148	45	NIHX	51206
16	NIHX	51150	46	NIHX	51209
17	NIHX	51151	47	NIHX	51210
18	NIHX	51152	48	NIHX	51212
19	NIHX	51155	49	NIHX	51215
20	NIHX	51156	50	NIHX	51216
21	NIHX	51157	51	NIHX	51218
22	NIHX	51159	52	NIHX	51219
23	NIHX	51160	53	NIHX	51221
24	NIHX	51162	54	NIHX	51222
25	NIHX	51163	55	NIHX	51226
26	NIHX	51165	56	NIHX	51228
27	NIHX	51168	57	NIHX	51229
28	NIHX	51172	58	NIHX	51230
29	NIHX	51174	59	NIHX	51231
30	NIHX	51175	60	NIHX	51233