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CATHERINE A. SHAW
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February 4, 1994

RECORDATION NO. 18691 FILED 1425
FEB - 7 1994 - 9 05 AM
INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Subject: ICC Filing (Railroad Cars)

Ladies and Gentlemen:

Enclosed for recording pursuant to Section 11303 of Title 49 of the U.S. Code are two fully executed counterpart originals of a Security Agreement dated January 31, 1994 (the "Security Agreement"). The Security Agreement is a primary document as defined in 49 CFR § 1177.

The names and addresses of the parties to the Security Agreement are as follows:

Debtor/Mortgagor:

Gunderson Rail Car Services, Inc.
4350 N.W. Front Avenue
Portland, Oregon 97210

Secured Party/Mortgagee:

United States National Bank of Oregon,
as Agent for Lenders
Oregon Corporate Banking
321 S.W. Sixth Avenue
Portland, Oregon 97204

Included in the property covered by the Security Agreement are railroad cars intended for use related to interstate commerce, or interests therein, owned by Gunderson Rail Car Services, Inc., at the date of the Security Agreement or thereafter manufactured or acquired by Gunderson Rail Car

Services, Inc., or its successors as owners of the railroad cars covered by the Security Agreement.

Also enclosed is a check in the amount of $18 payable to the Interstate Commerce Commission for the recording fee.

Please return a stamped original of the Security Agreement to the undersigned.

A short summary of the Security Agreement to appear in the Commission's index is as follows:

> Security Agreement dated January 31, 1994, between Gunderson Rail Car Services, Inc., debtor/mortgagor, and United States National Bank of Oregon, as agent, secured party/mortgagee, covering all railroad car inventory now owned or hereafter manufactured or acquired by Gunderson Rail Car Services, Inc., or its successors.

Very truly yours,

Catherine A. Shaw

RECORDATION NO. 18691 FILED 1425

FEB - 7 1994 - 9 05 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT (CHATTEL MORTGAGE)

DATE: January 31, 1994

BETWEEN: **GUNDERSON RAIL CAR SERVICES, INC.**, an Oregon corporation
4350 N.W. Front Avenue
Portland, Oregon 97210
Attention: Howard D. Werth

("Debtor")

AND: **UNITED STATES NATIONAL BANK OF OREGON**,
a national banking association
Oregon Corporate Banking
321 S.W. Sixth Avenue
Post Office Box 4412
Portland, Oregon 97204
Attention: Sally J. Williams, Vice President

("Secured Party")

1. **Grant of Security Interest**.

This security agreement is granted to support credit accommodations to affiliated corporations which have intercompany transactions and which will directly and indirectly benefit Debtor. Therefore, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to secure payment and performance of the obligations described in Section 2, Debtor hereby grants to Secured Party, for itself and as agent for the group of banks consisting of itself and Bank of America Oregon, an Oregon state chartered banking corporation (collectively the "Banks" and each a "Bank"), a security interest in and to the following (collectively, the "Collateral"):

(a) all of Debtor's inventory (including finished inventory, raw materials, and work in process, whether related to railcar production, marine production or any other sale or manufacturing operations of Debtor), supplies, all accounts (including all rights under contracts to sell or lease goods or equipment or to render services, whether or not earned by performance, which are not evidenced by an instrument or chattel paper), contract rights, drafts, acceptances, notes, securities and other instruments, all chattel paper, documents, records, computer software and data, general intangibles and other forms of receivables, and all guaranties and securities therefor, including

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without limitation the property described below, now owned or hereafter acquired by Debtor, as well as the products and proceeds thereof:

(i) any and all patents, copyrights, registered and common law trademarks, trade names, service marks, service names, slogans, assumed names and other similar rights owned by Debtor or which it has the right to use in the conduct of its business, including, without limitation, any rights to Debtor's trade names;

(ii) all claims, causes of action, and other rights of Debtor that relate in any way to the ownership, operation, use, or lease of any of the foregoing Collateral; and

(iii) all rents, income, receipts, revenues, issues, profits and other income, liens and security interests of any nature to which Debtor may now be or shall hereafter become entitled arising from the foregoing Collateral; and

(b) all equipment, fixtures, and goods described on Exhibit A as it may from time to time be amended to include additional equipment, fixtures, and goods, together with all accessions, parts, additions, substitutions, and replacements affixed thereto, as well as the products and proceeds thereof.

2. **Obligations Secured**.

This Agreement is given to secure (a) performance of the covenants and agreements hereinafter made, (b) Debtor's obligations under that certain guaranty of even date herewith (the "Guaranty") pursuant to which Debtor has guaranteed the obligations of Gunderson, Inc., an Oregon corporation, under a Term Loan and Revolving Loan Agreement of even date herewith among Gunderson, Inc. ("Borrower"), the Banks, and Secured Party as agent for the Banks (the "Loan Agreement"), as evidenced by promissory notes of even date herewith in the initial maximum principal amount of $30,000,000 (the "Notes"), and any and all renewals and extensions thereof whether or not evidenced by new or additional instruments, (c) performance of the covenants and provisions in all other agreements, certificates, guaranties, or other documents executed by Debtor in connection with the Loan Agreement and the Notes, and (d) payment of all advances, costs, expenses and reasonable attorney fees at trial, on appeal, or in any bankruptcy proceeding incurred by Secured Party or the Banks in servicing and enforcing the debts, obligations and liabilities of Debtor and in preserving, handling, protecting, collecting, foreclosing, disposing and otherwise realizing on any and all security therefor.

3. **Warranties, Representations and Covenants of Debtor**.

Debtor represents, warrants and covenants as follows:

(a) Except for Permitted Liens: (i) Debtor will keep the Collateral free and clear of any lien, encumbrance or security interest; (ii) Debtor will not mortgage, pledge, grant, or permit to exist a security interest or lien upon any of the Collateral, now owned or hereafter acquired; (iii) Debtor is, and as to portions of the Collateral acquired after the date hereof, will be, the sole owner of the Collateral, free from any adverse lien, security interest, or adverse claim of any kind whatsoever, except for claims of persons claiming solely by, through or under Secured Party. No financing statement or other instrument affecting the Collateral, or rights therein, bearing the signature of, or otherwise authorized by, Debtor is on file in any public filing office, other than those giving rise to Permitted Liens. Debtor will notify Secured Party of any claim or demand against the Collateral and will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein, other than those persons whose claims or demands are based on Permitted Liens, and other than those persons claiming solely by, through or under Secured Party.

(b) Debtor's equipment and inventory are located in the state of Oregon. Debtor will notify Secured Party in the event it opens places of business in other states or comes to have Collateral located in other states. The Collateral is not used or bought for personal, family or household purposes.

(c) Debtor's principal place of business is in Portland, Oregon. Debtor will not move its principal place of business outside the state of Oregon. Debtor will not do business under any assumed business names except those of which Debtor has notified Secured Party as provided below. Debtor will immediately notify Secured Party in writing of the adoption or change of any assumed business name, and will, upon request of Secured Party, execute any additional financing statements or other certificates necessary to reflect the adoption or change in such name or names.

(d) Except as permitted in the Loan Agreement, Debtor will not sell, lease, transfer or otherwise dispose of any interest in any Collateral, other than in the ordinary course of business, without the prior written consent of Secured Party.

(e) Debtor will keep the Collateral in good condition and repair, and will not misuse, abuse, destroy, or allow to deteriorate or waste the Collateral or any part thereof, except for ordinary wear and tear of its normal and expected use in Debtor's business. Debtor will not use any of the Collateral in

violation or any governmental law, rule, or regulation. Secured Party or its designee may examine and inspect the Collateral at all reasonable times, wherever located, and for that purpose is authorized by Debtor to enter any place or places where any part of the Collateral may be.

(f) Debtor will keep the Collateral fully insured against loss or damage by fire, theft, collision, and such other hazards as provided in Section 6.1(D) of the Loan Agreement.

(g) Debtor will pay promptly when due all taxes, license fees, and assessments on the Collateral. Debtor may withhold payment of any tax, license fee, or assessment in connection with a good faith dispute over the obligation to pay, so long as Secured Party's interest in the Collateral is not jeopardized. If a lien arises or is filed as a result of nonpayment, Debtor shall within 15 days after the lien arises or, if a lien is filed, within 15 days after Debtor has notice of the filing, secure the discharge of the lien or deposit with Secured Party cash or a sufficient corporate surety bond or other security satisfactory to Secured Party in an amount sufficient to discharge the lien plus any costs, attorney fees, or other charges that could accrue as a result of a foreclosure or sale under the lien.

(h) Debtor will promptly execute any document, alone or with Secured Party, procure any document, give any notices, do all other acts, and pay all costs associated with the foregoing that Secured Party determines are necessary to protect the Collateral against rights, claims or interests of third parties (except those arising from Permitted Liens or those claiming solely by, through or under Secured Party) and will otherwise preserve the Collateral as security hereunder.

(i) Debtor will not assert against Secured Party any claim or defense which Debtor may have against any other person with respect to the Collateral or any part thereof.

(j) Until foreclosure, Debtor will indemnify, defend, and hold Secured Party and the Banks harmless from and against any loss, liability, damage, cost and expense whatsoever arising from the use, operation, ownership or possession of the Collateral or any part thereof.

(k) Debtor shall promptly replace any material loss, theft, damage or destruction of any Collateral; provided that if all insurance proceeds covering such loss, theft, damage or destruction are promptly applied to the reduction of indebtedness under the Notes, then such failure to replace shall not constitute an Event of Default.

(l) At Closing, Debtor will deliver to Secured Party such documents or instruments as Secured Party may request.

(m) With respect to any leases assigned as Collateral, Debtor will deliver the originals of such leases to Secured Party upon request and, in the absence of such request, will mark such leases as having been assigned as security and keep such leases in safekeeping as custodian for Secured Party.

4. **Preservation of Collateral by Secured Party**.

If Debtor should fail to make any payment, perform or observe any other covenant, obligation or agreement, or take any other action which Debtor is obligated hereunder to make, perform, observe, take or do, then Secured Party may, at Secured Party's sole discretion, without notice to or demand upon Debtor and without releasing Debtor from any obligation, covenant, or agreement hereof, make, perform, observe, take or do the same in such manner and to such extent as Secured Party may deem necessary to protect the security interest in or the value of the Collateral. Furthermore, Secured Party, in its sole discretion, may commence, appear or otherwise participate in any action or proceeding purporting to affect Secured Party's security interest in or the value or ownership of the Collateral. All sums expended or incurred by Secured Party pursuant to the foregoing authorizations (including attorney fees) shall be secured hereby and shall be due and payable within ten (10) days after demand and shall bear interest from the date of expenditure until the date of reimbursement at the Post-Default Rate.

5. **Use of Collateral by Debtor**.

So long as no Event of Default shall have occurred, Debtor may have possession of the Collateral (other than instruments delivered to Secured Party pursuant to this Agreement) and may use the Collateral in any lawful manner not inconsistent with this Agreement, the Loan Agreement, or any policy of insurance covering the Collateral.

Secured Party acknowledges and agrees that any buyer in the ordinary course of Debtor's business takes free of Secured Party's security interest. Without in any way limiting the generality of the preceding, Secured Party agrees that, except as to security interests specifically granted by TTX Company, its successors or assigns ("TTX"), to Debtor and its assigns, all rail cars purchased in the ordinary course of business by TTX pursuant to a Manufacturing Agreement or otherwise (whether or not such instruments are recorded with the Interstate Commerce Commission) shall not, following the delivery of such cars, be subject to any security interest in favor of Secured Party.

6. **Events of Default**.

TIME IS OF THE ESSENCE. Any of the following shall constitute an event of default under this Agreement ("Event of Default"):

(a) An Event of Default shall occur under this Agreement, the Loan Agreement, the Notes, or the Guaranty;

(b) Secured Party receives any evidence that Debtor has taken any action that is contrary to Debtor's grant to Secured Party of a security interest in the Collateral, and such default is not remedied within 30 days after notice to Debtor by Secured Party;

(c) Debtor fails to perform or observe any covenant, agreement, term, or promise contained herein or in any other agreement with Secured Party or the Banks to which Debtor is a party, and such performance or observance is not remedied within 30 days from the earlier of the time an officer or director of Debtor obtains actual knowledge thereof or notice from Secured Party or the Banks;

(d) Any representation, warranty, or statement made herein proves to have been false or misleading in any material respect as of the time made; or

(e) Material loss, theft, destruction or disappearance of, or damage to, the Collateral, and such Collateral is not replaced within 30 days of such event (or such additional time as may be necessary to replace such Collateral by the exercise of reasonable diligence) or all insurance proceeds covering such loss, theft, destruction or disappearance are not promptly applied to the reduction of the indebtedness under the Notes.

7. **Remedies Upon Default**.

(a) Upon the occurrence of any Event of Default, Secured Party may, at its option and in addition to any other remedies provided by law, in this Agreement or in any other agreement with Secured Party to which Debtor is a party, do any one or more of the following, successively or concurrently:

(i) Declare all obligations secured hereby to be immediately due and payable.

(ii) Either personally, or by means of a court appointed receiver, take possession of all or any of the Collateral and exclude therefrom Debtor and all others claiming under Debtor, and thereafter hold, store, use, operate, manage, lease, maintain and control the Collateral, make repairs, replacements, alterations, additions and improvements to the Collateral and exercise all rights and powers of Debtor with respect to the Collateral or any part thereof. Debtor hereby expressly waives any requirement that Secured Party or the receiver post a bond upon such appointment. In the event Secured Party demands or attempts to take possession of the Collateral in the exercise of

any rights under this Agreement, Debtor shall turn over promptly and deliver complete possession thereof to Secured Party.

(iii) Without notice to or demand upon Debtor, make such payments and do such acts as Secured Party may deem necessary to protect Secured Party's security interest in the Collateral, including without limitation, (1) paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority to pay all expenses incurred in connection therewith, and (2) in exercising its rights under this Section 7, collect, compromise, endorse, sell, or otherwise deal with Collateral or proceeds thereof in its own name or that of Debtor, with full power to endorse any certificates of title.

(iv) Require Debtor to deliver to Secured Party all original documents, drafts, acceptances, notes, securities, other instruments, and chattel paper. If any of the chattel paper covers property that is covered by certificates of title, then Debtor shall also deliver such certificates.

(v) Require Debtor to assemble the Collateral, or any portion thereof, at a place designated by Secured Party and reasonably convenient to both parties, and promptly to deliver such Collateral to Secured Party or its designee. Secured Party, and its agents and representatives and designees, shall have the right to enter upon any or all of Debtor's premises and property to exercise Secured Party's rights hereunder.

(vi) Notify account debtors or lessees of any Collateral that the Collateral has been assigned to Secured Party and the proceeds, lease payments, or other payments thereon shall be paid to Secured Party. Upon request of Secured Party, Debtor will also promptly notify account debtors and will indicate on all billings to account debtors that the accounts are payable to Secured Party, and will promptly notify lessees of Collateral that all lease payments are payable to Secured Party. Any and all proceeds thereafter received by Debtor shall be turned over to Secured Party daily in the exact form in which they are received.

(vii) Foreclose on the Collateral as herein provided or in any manner permitted by law, and exercise any and all of the rights and remedies conferred upon Secured Party or the Banks

by the Loan Agreement, the Guaranty, or any other document executed by Debtor in connection with the indebtedness secured hereby, either concurrently or in such order as Secured Party may determine; and sell or cause to be sold in such order as Secured Party may determine, as a whole or in such parcels as Secured Party may determine, the Collateral without affecting in any way other rights or remedies to which Secured Party may be entitled.

(viii) Sell, lease or otherwise dispose of the Collateral at public sale, without having the Collateral at the place of sale, and upon terms and in such manner as Secured Party may determine. Secured Party, any Bank or Debtor may be a purchaser at any sale.

(ix) Exercise any remedies of a secured party under the Uniform Commercial Code of Oregon and of any other state in which Collateral is located.

(b) Unless the Collateral is perishable or threatens to decline rapidly in value or is of a type customarily sold on a recognized market, Secured Party shall give Debtor at least ten (10) days' prior written notice of the time and place of any intended public sale or of the time after which any intended private sale or other disposition of the Collateral is to be made, which notice shall be deemed reasonable.

(c) In the event of public or private sale of the Collateral, the proceeds, after payment therefrom of Secured Party's reasonable expenses of sale, reasonable attorney fees and other legal expenses incurred in connection therewith, shall be applied in satisfaction of the obligations secured hereby, and any surplus remaining shall be paid by Secured Party to Debtor. In the event the proceeds applied to such obligations are insufficient to pay the same in full, Debtor shall be liable for any deficiency and shall promptly pay the same to Secured Party. Any repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release Debtor until full payment of any deficiency has been made in cash.

8. **Payment of Costs of Collection**.

In case of an Event of Default, or in case litigation is commenced to enforce or construe any term of this Agreement or the Guaranty, or any other instrument evidencing indebtedness of Debtor to Secured Party or the Banks or of any other document or agreement executed hereunder, the losing party will pay to the prevailing party such amounts as shall be sufficient to cover the cost and expense of collection or enforcement, including, without limitation, reasonable attorney's fees and costs at trial, on appeal, and in any bankruptcy proceeding.

9. **Power of Attorney**.

Debtor does hereby irrevocably appoint Secured Party as its attorney-in-fact, with full power of substitution, upon the occurrence of an Event of Default, to execute any document or instrument, including any proofs of claim, to endorse any draft or other instrument for the payment of money, to execute releases, to negotiate settlements, to cancel any insurance referred to herein and to do all other things necessary or required to effect a settlement under any insurance policy or to take any action or perform any obligation or enforce any right with respect to the Collateral Debtor would have the right or power to do, all of which actions may be taken in Secured Party's own name. Secured Party agrees to give Debtor notice of any actions it has taken pursuant to its appointment as attorney-in-fact within a reasonable time after such action is taken, it being understood that the failure to give such notice will not revoke Secured Party's appointment as attorney-in-fact or invalidate any actions taken in such capacity. This power of attorney is a power coupled with an interest which cannot be revoked until payment in full of the whole amount then due and unpaid of the indebtedness of Debtor to Secured Party.

10. **Release of Collateral**. Notwithstanding Section 2 above, in the event that Borrower pays all amounts outstanding under the Term Loan and the Term Loan Commitment is terminated, Secured Party, for itself and as agent for the other Banks, agrees to release the security interest in the Collateral described in Section 1(b), above; in the event that any of the Banks fail to extend the Revolving Loan Termination Date for any reason upon receipt of a written request from Borrower as provided in the definition of "Revolving Termination Date" in the Loan Agreement and Borrower subsequently pays all amounts outstanding under the Revolving Loan and the Revolving Loan Commitment is terminated, Secured Party, for itself and as agent for the other Banks, agrees to release the security interest in the Collateral described in Section 1(a), above. Notwithstanding the foregoing, Secured Party, for itself and as agent for the other Banks, agrees to release the security interest in all the Collateral upon payment of all of Borrower's Obligations and upon termination of both the Term Loan Commitment and the Revolving Loan Commitment.

11. **Miscellaneous**.

(a) **Notices**. All notices or other communications required or permitted hereunder shall be given to the appropriate party or parties and shall be effective as provided in the Loan Agreement.

(b) **Remedies Cumulative**. Any and all remedies herein expressly conferred upon Secured Party shall be deemed cumulative with and not exclusive of any other remedy conferred hereby or by law on Secured Party, and the exercise of any one remedy shall not preclude the exercise of any other.

(c) **Waiver**. Secured Party shall not be deemed to have waived any power, right, or remedy under this or any other agreement executed by Debtor unless the waiver is in writing signed by Secured Party. No delay in exercising Secured Party's power, right, or

remedy shall be a wavier nor shall a waiver on one occasion operate as a waiver of such power, right, or remedy on a future occasion.

(d) **Further Assurances**. Debtor will join with Secured Party in executing, filing, and doing whatever may be necessary under applicable law to perfect and continue Secured Party's security interest in the Collateral now owned or hereafter acquired by Debtor, all at Debtor's expense.

(e) **Attorney Fees**. In the event of exercise of Secured Party's rights or remedies under this Agreement or under the Uniform Commercial Code, Debtor agrees to pay all costs, expenses, and reasonable attorney fees as the trial court or any appellate court may adjudge reasonable in any matter arising from or related to this Agreement, including claims and adversary proceedings in bankruptcy.

(f) **Expenses**. Whether or not the transactions contemplated hereby are consummated, Debtor shall bear all expenses incurred by it and by Secured Party arising from the preparation, negotiation, execution, and delivery of this Agreement, the Loan Agreement, and all related documents, and the performance of all transactions contemplated thereby, including without limitation all fees and expenses of counsel to the Banks (not to exceed $50,000 for fees of counsel to the Banks through the Closing).

(g) **Successors and Assigns**. This Agreement may not be assigned by Debtor without the prior written consent of Secured Party. This Agreement shall be binding upon and shall inure to the benefit of the parties and their permitted respective successors and assigns.

(h) **Validity; Severability**. In the event that any provision of this Agreement is held to be invalid, such event shall not affect, in any respect whatsoever, the validity of the remainder of this Agreement, and the remainder shall be construed without the invalid provision so as to carry out the intent of the parties to the extent possible without the invalid provision.

(i) **Exhibits and Schedules**. Any exhibits or schedules attached to this Agreement and referred to herein are incorporated in this Agreement as if they were fully set forth in the text hereof.

(j) **Governing Law**. This Agreement shall be governed by and construed under the laws of the state of Oregon.

(k) **Counterparts; Headings**. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same Agreement. Section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part hereof.

(l) **Amendment**. This Agreement can be modified or terminated only by a writing signed by Secured Party and Debtor.

(m) **Term of Security Agreement**. This Agreement shall remain in full force and effect as long as the Notes or any other indebtedness of Debtor to Secured Party or the Banks remains unpaid or outstanding, any commitment of the Banks under the Loan Agreement remains outstanding, or the Guaranty remains in effect.

(n) **Capitalized Terms**. Capitalized terms not defined herein shall have the respective meanings ascribed thereto in the Loan Agreement.

(o) **Include**. The terms "include," "including," and similar terms shall be construed as if followed by the phrase "without limitation."

(p) **Arbitration**.

(i) Debtor or Secured Party may require that all disputes, claims, counterclaims, and defenses, including those based on or arising from any alleged tort ("Claims"), relating in any way to this Agreement, or any transaction of which this Agreement is a part, be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and Title 9 of the United States Code. All Claims will be subject to the statutes of limitation applicable if they were litigated. This provision is void if arbitration would jeopardize Secured Party's ability to proceed against Collateral security located outside of Oregon, or if the effect of the arbitration procedure (as opposed to any Claims by Debtor) would be to materially impair its ability to realize on any Collateral.

(ii) If arbitration occurs and each party's Claim is less than $250,000, one neutral arbitrator will decide all issues; if any party's Claim is more than $250,000, three neutral arbitrators will decide all issues. All arbitrators will be active Oregon State Bar members in good standing. All arbitration hearings will be held in Portland, Oregon. In addition to all other powers, the arbitrator(s) shall have the exclusive right to determine all issues of arbitrability and shall have the authority to issue subpoenas. Judgment on any arbitration award may be entered in any court with jurisdiction.

(iii) If either party institutes any judicial proceeding relating to the Loans, such action shall not be a waiver of the right to submit any Claim to arbitration. In addition, whether or

not the parties arbitrate any Claim, each has the right before, during, and after any arbitration to exercise any number of the following remedies, in any order or concurrently: (A) set-off; (B) self-help repossession of any Collateral; (C) judicial or nonjudicial foreclosure against any real or personal property Collateral; and (D) provisional remedies, including injunction, appointment of receiver, attachment, claim, and delivery and replevin.

(iv) This arbitration clause cannot be modified or waived except in writing, which writing must refer to this arbitration clause and be signed by each party hereto.

(q) **Conflict with Loan Agreement**. To the extent that any term or provision contained in this Agreement conflicts with any term or provision contained in the Loan Agreement, the Loan Agreement shall control.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

SECURED PARTY:

UNITED STATES NATIONAL BANK OF OREGON

By _____
Title: Vice President

DEBTOR:

GUNDERSON RAIL CAR SERVICES, INC.

By _____
Title: Vice President

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STATE OF OREGON)
) SS
COUNTY OF MULTNOMAH)

This instrument was acknowledged before me on January 28, 1994, by Howard D. Werth, as Vice President of Gunderson Rail Car Services, Inc., an Oregon corporation.

OFFICIAL SEAL
LAREE G. HOLMGREN
NOTARY PUBLIC-OREGON
COMMISSION NO. 014000
MY COMMISSION EXPIRES APR. 18, 1996

Laree D. Holmgren
Notary Public for Oregon
My commission expires:

STATE OF OREGON)
) SS
COUNTY OF MULTNOMAH)

This instrument was acknowledged before me on January 28, 1994, by Sally J. Williams, as Vice President of United States National Bank of Oregon, a national banking association.

OFFICIAL SEAL
LAREE G. HOLMGREN
NOTARY PUBLIC-OREGON
COMMISSION NO. 014000
MY COMMISSION EXPIRES APR. 18, 1996

Laree D. Holmgren
Notary Public for Oregon
My commission expires:

XAA06653

SECURITY AGREEMENT

Exhibit A

None