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RANDALL G ALT

RECORDATION No. 20620
DIRECT DIAL
(303) 293-6500

April 2, 1997

Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, D.C. 20423

RECEIVED
SURFACE TRANSPORTATION
BOARD
APR 7 11 21 AM '97
OFFICE OF SECRETARY

Re: Filing of Security Agreement and Chattel Mortgage

Gentlemen and Ladies:

Enclosed for filing on behalf of our client, Great Canadian Railtour Co. Ltd. (the "Secured Party"), is a Security Agreement and Chattel Mortgage. In this Agreement, the Debtor, Rader Railcar II, Inc., grants to the Secured Party a security interest in a passenger railcar, as more fully described in the enclosed agreement. Also enclosed is our check in the amount of \$24.00 to cover the fees for the recording of the enclosed Agreement.

Very truly yours,



Randall G. Alt

Surface Transportation Board
Washington, D.C . 20423-0001

Date: 4/7/97

Randall G, Alt
Parcel, Mauro, Hultin & Spaanstra, PC
1801 California Street, Ste 3600
Denver, Colorado 80202-2638
Dear Sir:

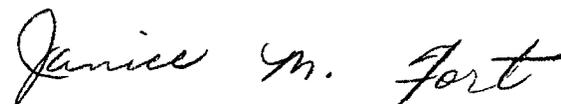
The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301
and 49 CFR 1177.3 (c), on 4/7/97 at 11:21AM, and
assigned recordation number(s), 20620.

Sincerely Yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$24.00 The amount indicated at the left has been received in payment of a fee
in connection with a document filed on the date shown. This receipt is issued for the
amount paid and in no way indicates acknowledgement the fee paid is correct. This is
accepted subject to review of the document which has been assigned the transaction
number corresponding to the one typed on this receipt. In the event of an error or any
questions concerning this fee, you will receive a notification after the Surface Transportation
Board has had an opportunity to examine your document.

Signature: 

SECURITY AGREEMENT AND CHATTEL MORTGAGE

(Railcars)

RECORDATION No. 20620

DEBTOR: Rader Railcar II, Inc.
1011 East 14th Street
Fort Lupton, Colorado 80621
Attention: Mr. Thomas G. Rader
Telephone: (303) 857-2472
Fax: (303) 857-4298

SECURED PARTY: Great Canadian Railtour Company, Ltd.
1150 Station Street, First Floor
Vancouver, British Columbia
Canada V6A 2X7
Attention: Mr. Earl Simons
Telephone: (604) 606-7200
Fax: (604) 606-7206

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Debtor, for consideration, hereby grants to Secured Party a security interest in the following property and any and all additions, accessions and substitutions thereto or therefore (hereinafter referred to as the "Collateral"):

Those certain passenger railcars denoted as car numbers RMR 9502, 9503 and 9504, which Debtor is constructing for the Secured Party in accordance with the terms and conditions of that certain Railcar Construction Agreement by and between Debtor and Secured Party effective September 15, 1996. (Such agreement shall hereinafter be referred to as the "Railcar Construction Agreement.")

to secure the payment, performance and observance by Debtor of all of Debtor's now existing or hereafter arising liabilities and obligations to Secured Party under the Railcar Construction Agreement.

Debtor warrants that Debtor is the owner of the Collateral free and clear of all liens, encumbrances and security interests. Debtor agrees not to remove the Collateral from the State of Colorado prior to transportation for delivery to Secured Party as permitted by the Railcar Construction Agreement, to pay all taxes when due as may legally be required by the Railcar Construction Agreement, to procure such insurance as may legally be required by the Railcar Construction Agreement and to perform all of Debtor's remaining obligations under the terms and conditions of the Railcar Construction Agreement. Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

Debtor further warrants that the Collateral will be constructed by Debtor in the course of its business operations and that the Debtor's place of business as set forth above is the location where the Collateral will be kept. Debtor shall promptly notify Secured Party of any change in location of the Collateral. Debtor shall not permit or allow any adverse liens,

SECURED PARTY:

**GREAT CANADIAN RAILTOUR COMPANY.
LTD., a British Columbia corporation**

By: 
Peter Armstrong
President & CEO

PROVINCE OF BRITISH COLUMBIA, CANADA

On this 13th day of February, 1998 before me personally appeared Peter Armstrong to me personally known who being by me duly sworn says that he is the President of Great Canadian Railtour Company, Ltd., 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 the authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Witness my hand and official seal.

My commission expires: UNLIMITED



Notary Public
ROBERT W. PAKRUL
Barrister & Solicitor
2100 ONE BENTALL CENTRE
505 - BURRARD STREET
VANCOUVER, B.C. V7X 1R4
(604) 683-6911