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December 23, 2002

**VIA FEDERAL EXPRESS**

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423-0001

RECORDATION NO. 18691-R FILED

DEC 26 '02 1-16 PM

SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

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

This document is a Third Amendment to Security Agreement, a secondary document, dated December 1, 2002. The primary document to which this is connected is recorded under Recordation No. 18691.

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

Debtor/mortgagor:	Gunderson Rail Services, Inc., formerly known as Gunderson Northwest, Inc. 4350 N.W. Front Avenue Portland, Oregon 97210
Secured Party/mortgagee:	U.S. Bank National Association, formerly known as United States National Bank of Oregon Oregon Corporate Banking 111 S.W. Fifth Avenue Portland, Oregon 97204

Included in the property covered by the aforesaid Third Amendment to Security Agreement are railroad cars intended for use related to interstate commerce or interests therein, owned by Gunderson Rail Services, Inc., formerly known as Gunderson Northwest, Inc., at the

Mr. Vernon A. Williams

- 2 -

December 23, 2002

date of the original Security Agreement or thereafter acquired by it or its successors as owners of the railroad cars covered by the Security Agreement.

A fee of \$30 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to the undersigned.

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

Third Amendment to Security Agreement with Recordation No. 18691 between Gunderson Rail Services, Inc., formerly known as Gunderson Northwest, Inc., debtor/mortgagor, and U.S. Bank National Association, formerly known as United States National Bank of Oregon, as agent, dated December 1, 2002, and covering all railroad car inventory now owned or hereafter manufactured or acquired by Gunderson Rail Services, Inc., formerly known as Gunderson Northwest, Inc., or its successors.

Very truly yours,



Catherine A. Shaw

**THIRD AMENDMENT TO SECURITY AGREEMENT**

DATE: December 1, 2002

BETWEEN: **GUNDERSON RAIL SERVICES, INC.**,  
formerly known as Gunderson Northwest, Inc.  
4350 N.W. Front Avenue  
Portland, Oregon 97210  
Attention: Howard D. Werth

AND: **U.S. BANK NATIONAL ASSOCIATION**,  
a national banking association,  
formerly known as United States National Bank of Oregon  
Oregon Corporate Banking  
111 S.W. Fifth Avenue  
Portland, Oregon 97204  
Attention: Scott Bell

RECORDATION NO. 18691-R FILED

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SURFACE TRANSPORTATION BOARD

("Debtor")

("Secured Party")

**RECITALS**

A. The parties entered into a Security Agreement (Chattel Mortgage) dated January 31, 1994 (the "Security Agreement"), pursuant to the terms of a loan agreement among Gunderson, Inc., Bank of America Oregon (now known as Bank of America, N.A.) and Secured Party for itself and as agent (the "Loan Agreement").

B. The Security Agreement was filed with the Interstate Commerce Commission on February 7, 1994, and given recordation No. 18691.

C. The parties amended the Security Agreement by a first amendment to security agreement dated May 31, 1995, and by a second amendment to security agreement dated August 1, 1998.

D. The parties desire to again amend the Security Agreement in connection with an amendment and restatement of the Loan Agreement dated December 1, 2002.

NOW, THEREFORE, the parties hereby agree as follows:

1. The Security Agreement is amended to replace all references to Bank of America N.T. & S.A to Bank of America, N.A.

2. Section 2 of the Security Agreement is amended to read in full as follows:

**Obligations Secured.**

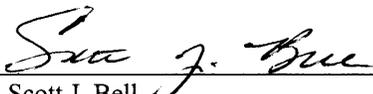
This Agreement is given to secure (a) performance of the covenants and agreements hereinafter made, (b) Debtor's obligations under that certain guaranty dated May 31, 1995 (the "Guaranty"), reaffirmed in connection with that certain Third Amended and Restated Loan Agreement dated December 1, 2002, among Gunderson, Inc. ("Borrower"), the Banks, and Secured Party as agent for the Banks (the "Loan Agreement"), pursuant to which Debtor has guaranteed the obligations of Gunderson, Inc., an Oregon corporation, under the Loan Agreement, as evidenced by promissory notes of even date herewith in the initial maximum principal amount of \$35,000,000 (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. Except as herein modified, the terms and conditions of the Security Agreement are reaffirmed and ratified as though fully set forth herein. Capitalized terms used and not defined herein have the meanings set forth in the Security Agreement.

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

SECURED PARTY:

U.S. BANK NATIONAL ASSOCIATION

By   
Scott J. Bell  
Vice President

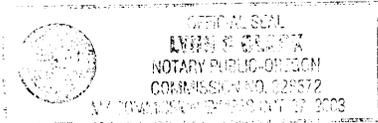
DEBTOR:

GUNDERSON RAIL SERVICES, INC.

By   
Howard D. Werth  
Vice President

STATE OF OREGON                    )  
  ) SS  
COUNTY OF MULTNOMAH        )

This instrument was acknowledged before me on 12/6, 2002, by Scott J. Bell as vice president of U.S. Bank National Association, a national banking association.



Lynn C. Clark  
Notary Public for Oregon  
My commission expires: 10-27-03

STATE OF OREGON                    )  
  ) SS  
COUNTY OF MULTNOMAH        )

This instrument was acknowledged before me on 12/6, 2002, by Howard D. Werth as vice president of Gunderson Rail Services, Inc.



Lynn C. Clark  
Notary Public for Oregon  
My commission expires: 10-27-03