OSTER
Researching Services

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April 8, 2003

RECORDATION NO. 24395 FILED

APR 0 8 '03 10-29 AM

SURFACE TRANSPORTATION BOARD

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

Dear Sir:

Enclosed for recording with the Surface Transportation Board is a Security Agreement dated March 18, 2003, including the following parties and railroad equipment:

Secured Party: Wells Fargo Equipment Finance, Inc.
733 Marquette Avenue, #700
Minneapolis, MN 55402

Debtor: Gary Grimmel
Betty A. Grimmel
(dba Grimmel Industries)
1095 Muitzeskill Road
Schodack Landing, NY 12156

Equipment: 51, Gondolas
MWCX / GDJX markings
(See Schedule A)

Please record this agreement as a primary document. The filing fee of $30 is enclosed.

Summary: Security Agreement 3/18/03 between Wells Fargo Equipment Finance, Inc. as Secured Party and Gary and Betty A. Grimmel dba Grimmel Industries as Debtor including 51, Gondolas described on the attached Schedule A.

Sincerely,

Mary A. Oster

Mary Ann Oster
Research Consultant

Enclosures

WELLS FARGO

Wells Fargo Equipment Finance, Inc.
733 Marquette Avenue, Suite 700
MAC N9306-070
Minneapolis, MN 55402

24395 FILED

Security Agreement

APR 08 '03 11-29 AM

SURFACE TRANSPORTATION BOARD

Dated as of March 18, 2003
Contract Number 45791-706

Name and Address of Debtor:
Gary Grimmel
1095 Muitzeskill Road
Schodack Landing, NY 12156

Betty A. Grimmel
dba Grimmel's Industries
1095 Muitzeskill Road
Schodack Landing, NY 12156

1. **Security Interest and Collateral. To secure the payment and performance of each and every debt, liability and obligation of every type and description which** Debtor may now or at any time hereafter owe to Wells Fargo Equipment Finance, Inc. ("Secured Party") (whether such debt, liability or obligation now exists or is hereafter created or incurred, whether it is currently contemplated by the Debtor and Secured Party, whether any documents evidencing it refer to the Security Agreement, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several or joint and several; all such debts, liabilities and obligations being herein collectively referred to as the "Obligations"), Debtor hereby grants Secured Party a security interest (herein call the "Security Interest") in the following property (herein called the "Collateral"):

   The Equipment described on Schedule A attached hereto and made a part hereof.

   together with all substitutions and replacements for and products of the Collateral, all proceeds, accessories, attachments, parts, equipment and repairs now or hereafter attached or affixed to or used in connection with the Collateral.

2. **Representations, Warranties and Agreements.** Debtor represents, warrants and agrees that:
   (a) **Authorization.** If Debtor is a corporation, a partnership or a limited liability company, the execution, delivery and performance of this Agreement has been duly authorized by all necessary action on the part of the Debtor and will not violate any provision of the Debtor's articles of incorporation or bylaws, partnership agreement or articles of organization or management agreement, as the case may be.
   (b) **Office Location.** Debtor's chief executive office (if Debtor is a corporation, a partnership or a limited liability company) is located at the address for Debtor shown above. Debtor will not change the location of its chief executive office or his/her residence, as the case may be, without first giving Secured Party at least 10 days prior written notice of the new location.
   (c) **Business Purpose; Lawful Use.** The Equipment will be used primarily for business purposes as opposed to personal, family or household purposes. Debtor will comply with all laws and regulations applicable to the Equipment and its use.

3. **Additional Representations, Warranties and Agreements.** Debtor represents, warrants and agrees that:
   (a) Debtor has (or will have at the time Debtor acquires rights in Collateral hereafter arising) absolute title to each item of Collateral free and clear of all security interests, liens and encumbrances, except the Security Interest and will defend the Collateral against all claims or demands of all persons other than Secured Party. Debtor will not sell or otherwise dispose of the Collateral or any interest therein without the prior written consent of Secured Party. If Debtor is a corporation, this Agreement has been duly and validly authorized by all necessary corporate action, and, if Debtor is a partnership or a limited liability company, the partner(s) or manager(s) executing this Agreement has (have) authority to act for the partnership or the limited liability company.
   (b) Debtor will not permit any Collateral to be located in any state (and, if county filing is required, in any county) in which the financing statement covering such Collateral is required to be, but has not in fact been, filed in order to perfect the Security Interest.
   (c) Debtor will (i) keep all Collateral in good repair, working order and condition, normal depreciation excepted, and will, from time to time, replace any worn, broken or defective parts thereof; (ii) promptly pay all taxes and other governmental charges levied or assessed upon or against any Collateral or upon or against the creation, perfection or continuance of the Security Interest; (iii) keep all Collateral free and clear of all security interests, liens and encumbrances except the Security Interest; (iv) at all reasonable times, permit Secured Party or its representatives to examine or inspect any Collateral, wherever located, and to examine, inspect and copy Debtor's books and records pertaining to the Collateral and its business and financial condition; (v) keep accurate and complete records pertaining to Debtor's business and financial condition and submit to Secured Party such periodic reports concerning Debtor's business and financial condition as Secured Party may from time to time reasonably request; (vi) promptly notify Secured Party of any loss of or material damage to any Collateral; (vii) at all times keep all Collateral insured against risks of fire (including so-called extended coverage), theft, collision (in case of Collateral consisting of motor vehicles) and such other risks and in such amounts as Secured Party may reasonably request, with any loss payable to Secured Party to the extent of its interest, (viii) from time to time execute such financing statements as Secured Party may reasonably require in order to perfect the Security Interest and, if any Collateral consists of a motor vehicle, execute such documents as may be required to have the Security Interest properly noted on a certificate of title; (ix) pay when due or reimburse Secured Party on demand for all costs of collection of any of the Obligations and all other out-of-pocket expenses (including in each case all reasonable attorneys' fees) incurred by Secured Party in connection with the creation, perfection, satisfaction, protection, defense or enforcement of the Security Interest or the creation, continuance, protection, defense or enforcement of this Agreement or any or all of the Obligations, including expenses incurred in any litigation or bankruptcy or insolvency proceedings; (x) execute, deliver or endorse any and all instruments, documents, assignments, security agreements and other agreements and writings which Secured Party may at any time reasonably request in order to secure, protect, perfect or enforce the Security Interest and Secured Party's rights under this Agreement; (xi) not use or keep any Collateral, or permit it to be used or kept, for any unlawful purpose or in violation of any federal, state or local law, statute or ordinance; and (xii) not permit any Collateral to become part of or to be affixed to any real property without first assuring to the reasonable satisfaction of Secured Party that the Security Interest will be prior and senior to any interest or lien then held or thereafter acquired by any mortgagee of such real property or the owner or purchaser of any interest therein. If Debtor at any time fails to perform or observe any agreement contained in this Section 3(c), and if such failure shall continue for a period of ten calendar days after Secured Party gives Debtor written notice thereof (or, in the case of the agreements contained in clauses (vii) and (viii) of this Section 3(c), immediately upon the occurrence of such failure, without notice or lapse of time), Secured Party may (but need not) perform or observe such agreement on behalf and in the name, place and stead of Debtor (or, at Secured Party's option, in Secured Party's own name) and may (but need not) take any and all other actions which Secured Party may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of security interests, liens, or encumbrances, the procurement and maintenance of insurance, the execution of financing statements, the endorsement of instruments, and the procurement of repairs, transportation or insurance); and, except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law Debtor shall thereupon pay Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by Secured Party in connection with or as a result of Secured Party's performing or observing such agreement or taking such actions, together with interest thereon from the date expended or incurred by Secured Party at the highest rate then applicable to any of the Obligations. To facilitate the performance or observance by Secured Party of such agreements of Debtor, Debtor hereby irrevocably appoints (which appointment is coupled with an interest) Secured Party, or its delegate, as the attorney-in-fact of Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute,

THIS AGREEMENT INCLUDES THE TERMS ON THE ATTACHED PAGE(S).

X _____
Gary Grimmel, Debtor

X _____
Betty A. Grimmel, Debtor

SECAGREQ: ZIERA01:03192003:0858:2050:45791-706:111509

deliver, endorse or file, in the name and on behalf of Debtor, any and all instruments, documents, financing statements, applications for insurance and other agreements and writings required to be obtained, executed, delivered or endorsed by Debtor under this Section 3.

4. ***Assignment of Insurance.*** *Debtor hereby assigns to Secured Party, as additional security for the payment of the Obligations, any and all moneys (including but not limited to proceeds of insurance and refunds of unearned premiums) due or to become due under, and all other rights of Debtor under or with respect to, any and all policies of insurance covering the Collateral, and Debtor hereby directs the issuer of any such policy to pay any such moneys directly to Secured Party. Both before and after the occurrence of an Event of default, Secured Party may (but need not), in its own name or in Debtor's name, execute and deliver proofs of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy.*

5. ***Events of Default.*** *Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (i) Debtor shall fail to pay any or all of the Obligations when due or (if payable on demand) on demand, or shall fail to observe or perform any covenant or agreement herein binding on it; (ii) any representation or warranty by Debtor set forth in the Agreement or made to Secured Party in any financial statements or reports submitted to Secured Party by or on behalf of Debtor shall prove materially false or misleading; (iii) a garnishment, summons or a writ of attachment shall be issued against or served upon the Secured Party for the attachment of any property of Debtor or any indebtedness owing to Debtor; (iv) Debtor or any guarantor of any Obligation shall (A) be or become insolvent (however defined); or (B) voluntarily file, or have filed against it involuntarily, a petition under the United States Bankruptcy Code; or (C) if a corporation, partnership, or organization, be dissolved or liquidated or, if a partnership, suffer the death of a partner or, if an individual, die; or (D) go out of business; (v) an event of default shall occur under any indebtedness Debtor may now or hereafter owe to any affiliate of Secured Party; (vi) if Debtor is a corporation, more than 50% of the shares of voting stock of Debtor shall become owned by a shareholder or shareholders who were not owners of voting stock of Debtor on the date of this Agreement or, if Debtor is a partnership, more than 50% of the partnership interests in the Debtor shall become owned by a partner or partners who were not partners of Debtor on the date of this Agreement; or (vii) Debtor shall consolidate with or merge into, or sell all or substantially all of its assets to, any individual, corporation, or other entity.*

6. ***Remedies upon Event of Default.*** *Upon the occurrence of an Event of Default under Section 5 and at any time thereafter, Secured Party may exercise any one or more of the following rights and remedies: (i) declare all unmatured Obligations to be immediately due and payable, and the same shall thereupon be immediately due and payable, without presentment or other notice or demand; (ii) exercise and enforce any or all rights and remedies available upon default to a secured party under the Uniform Commercial Code, including but not limited to the right to take possession of any Collateral, proceeding without judicial process or by judicial process (without a prior hearing or notice thereof, which Debtor hereby expressly waives), and the right to sell, lease or otherwise dispose of any or all of the Collateral, and in connection therewith, Secured Party may require Debtor to make the Collateral available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties, and if notice to Debtor of any intended disposition of Collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in Section 7) at least 10 calendar days prior to the date of intended disposition or other action; (iii) exercise or enforce any or all other rights or remedies available to Secured Party by law or agreement against the Collateral, against Debtor or against any other person or property. Upon the occurrence of the Event of Default described in Section 5(iv)(B), all Obligations shall be immediately due and payable without demand or notice thereof.*

7. ***Miscellaneous.*** *This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by Secured Party. A waiver signed by Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Secured Party's rights or remedies. All rights and remedies of Secured Party shall be cumulative and may be exercised singularly or concurrently, at Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor shall be deemed sufficiently given if delivered or mailed by registered or certified mail, postage prepaid, to Debtor at its address set forth above or at the most recent address shown on Secured Party's records. Secured Party's duty of care with respect to Collateral in its possession (as imposed by law) shall be deemed fulfilled if Secured Party exercises reasonable care in physically safekeeping such Collateral or, in the case of Collateral in the custody or possession of a bailee or other third person, exercises reasonable care in the selection of the bailee or other third person, and Secured Party need not otherwise preserve, protect, insure or care for any Collateral. Secured Party shall not be obligated to reserve any rights Debtor may have against prior parties, to realize on the Collateral at all or in any particular manner or order, or to apply any cash proceeds of Collateral in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective heirs, representatives, successors and assigns and shall take effect when signed by Debtor and delivered to Secured Party, and Debtor waves notice of Secured Party's acceptance hereof. Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Debtor shall have the same force and effects as the original for all purposes of a financing statement. Except to the extent otherwise required by law, this Agreement shall be governed by the internal laws of the State of Minnesota. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations. If this Agreement is signed by more than one person as Debtor, the term "Debtor" shall refer to each of them separately and to both or all of them jointly; all such persons shall be bound both severally and jointly with the other(s); and the Obligations shall include all debts, liabilities and obligations owed to Secured Party by any Debtor solely or by both or several or all Debtors jointly or jointly and severally, and all property described in Section 1 shall be included as part of the Collateral, whether it is owned jointly by both or all Debtors or is owned in whole or in part by one (or more) of them. There shall be (1) counterpart of this Agreement and it will be marked "Original." To the extent that this Agreement constitutes chattel paper (as that term is defined by the Uniform Commercial Code), a security interest only may be created in the Agreement marked "Original." DEBTOR HEREBY WAIVES ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER UNDER OR IN CONNECTION WITH THE SECURITY AGREEMENT.*

* *Initials*

WELLS FARGO

Wells Fargo Equipment Finance
Investors Building , Suite 700
733 Marquette Ave So
Minneapolis, MN 55402

Schedule A

Contract Number **45791-706** dated as of **March 18, 2003**

Debtor: Gary Grimmel and
Betty A. Grimmel

Quantity	Description
Twelve (12)	1968 100 Ton High Side Gondola Railcars with the following Markings:

MWCX10000 MWCX10001 MWCX10002 MWCX10003
MWCX10004 MWCX10005 MWCX10006 MWCX10007
MWCX10008 MWCX10009 MWCX10010 MWCX10011

Ten (10) 1985 100 Ton Coal Gondola Railcars with the following Markings:

GDJX100 GDJX101 GDJX102 GDJX103 GDJX104
GDJX105 GDJX106 GDJX107 GDJX108 GDJX109

Ten (10) 1976 100 Ton Pullman Coal Gondolas with the following Markings:

GDJX110 GDJX111 GDJX112 GDJX113 GDJX114
GDJX115 GDJX116 GDJX117 GDJX118 GDJX119

Ten (10) 1979 Thrall Built 100 Ton Coal Gondolas with the following Markings:

GDJX50115 GDJX50119 GDJX50127 GDJX50131 GDJX50137
GDJX50150 GDJX50173 GDJX50180 GDJX50194 GDJX50196

Nine (9) 1971 an 1972 66' 2700Cu ft. Mill Gondolas Rebuilt in 1992 with the following Markings:

Old Markings	New Markings
NYOG60400	GDJX9500
NYOG60405	GDJX9501
NYOG60427	GDJX9502
NYOG60444	GDJX9503
NYOG60451	GDJX9504
NYOG60454	GDJX9505
NYOG70028	GDJX9506
NYOG70029	GDJX9507
NYOG70032	GDJX9508

Dated: March 18, 2003

Debtor: Gary Grimmel
By: *
Its: Co-Borrower

Debtor: Betty A. Grimmel
By: * Betty A. Grimmel
Its: Co- Borrower

STATE OF MINNESOTA
COUNTY OF HENNEPIN

On this _____ day of _____, 200__ before me personally appeared, _____ to me personally known, who being by me duly sworn, says that s/he is the _____ of Wells Fargo Equipment Finance, Inc., a Minnesota corporation, that said instrument was signed on behalf of said corporation, and s/he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

_____
Notary Public

My commission expires: _____

STATE OF New York
COUNTY OF Rensselaer

Gary Grimmel known to me personally appeared before me this 24 day of March, 2003.

[Seal]

Janet H. Allen
Notary Public

My commission expires: 09-30-2005
#01AL4693290
County of Saratoga

STATE OF New York
COUNTY OF Rensselaer

Betty Grimmel known to me personally appeared before me this 24 day of March, 2003.

[Seal]

Janet H. Allen
Notary Public

My commission expires: 09-30-2005
#01AL4693290
County of Saratoga