



October 6, 2003

Secretary
Surface Transportation Board
925 K Street NW
Washington, DC 20423-0001



RECORDATION NO. 24652 FILED

OCT 20 2003

1-47 PM

SURFACE TRANSPORTATION BOARD

Documents for Recording:

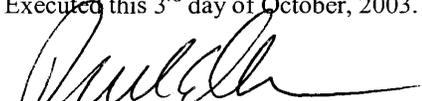
Dear Sirs:

Enclosed please find a Chattel Security agreement with an attached schedule of railroad cars and acknowledgement form for each of the borrowers. Please record these documents and return the recorded documents to me in the enclosed envelope. Thank you.

Sincerely,


Mary Dahnimer
Loan Administration Officer

I, Paul E. Olsen , certify that I am the person described in and who executed the foregoing instrument and that I acknowledge that I executed the same as my free act and deed. I further declare under penalty of perjury that the foregoing is true and correct. Executed this 3rd day of October, 2003.



Paul E. Olsen

State of Wisconsin

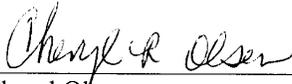
County of Dodge

On this 3rd day of October, 2003, before me, personally appeared Paul E. Olsen, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.



Terry L. Northwood
My commission expires August 1, 2004

I, Cheryl Olsen , certify that I am the person described in and who executed the foregoing instrument and that I acknowledge that I executed the same as my free act and deed. I further declare under penalty of perjury that the foregoing is true and correct. Executed this 3rd day of October, 2003.



Cheryl Olsen

State of Wisconsin

County of Dodge

On this 3rd day of October, 2003, before me, personally appeared Cheryl Olsen, to me known to be the person described in and who executed the foregoing instrument and she acknowledged that she executed the same as her free act and deed.



Terry L. Northwood
My commission expires August 1, 2004



CHattel Security Agreement
 (Business equipment and fixtures and consumer goods
 and fixtures if amount financed exceeds \$25,000)

Dated OCTOBER 3, 2003

1. CREATION OF SECURITY INTEREST

The undersigned ("Debtor", whether one or more) grants to State Bank of Howards Grove ("Secured Party") a security interest in the property, wherever located, described in Section 2 ("Collateral") to secure all debts, obligations and liabilities of any Debtor to Secured Party arising out of credit previously granted, credit contemporaneously granted and credit granted in the future by Secured Party to any Debtor, to any Debtor and another, or to another guaranteed or endorsed by any Debtor ("Obligations").

2. DESCRIPTION OF COLLATERAL

Make	Model	Year	Serial No. or Identification No.	Other Reasonable Identification	<input checked="" type="checkbox"/> If Checked here, description continues on attached sheet.
Assignment of Covered Hopper Railroad Car Lease from Olsen Brothers Enterprises to Olsen's Mill, Inc. dated January 31, 2003.					

and all accessions to, and spare and repair parts, special tools and equipment and replacements for, software used in, and all proceeds of the foregoing, and unless checked here, all equipment of the same type or kind hereafter acquired by Debtor, and its proceeds.
 If applicable, titled or to be titled in name of n/a

3. WARRANTIES

Debtor warrants:

- (a) **OWNERSHIP AND USE** - Debtor owns (or with spouse owns) the Collateral, the Collateral is free of all liens, encumbrances and security interests (except Secured Party's security interest), and acting alone Debtor may grant a security interest in the Collateral. The Collateral is used or bought for use primarily for personal, family or household purposes; or business purposes.
- (b) **LOCATION** - The Collateral will be kept at the address set forth below Section 4 or, if not, at:

Olsen's Mill, Inc., N2084 State Road 49, Auroraville, WI 54923
(NO. AND STREET) (CITY OR TOWN) (COUNTY) (STATE)

Such location shall not be changed without the prior written consent of Secured Party, but the parties intend that the Collateral, wherever located, is covered by this Agreement.

- (c) **NAME AND ADDRESS** - Debtor's exact legal name is as set forth below Section 4. If Debtor is an individual, the address of Debtor's principal residence is as set forth below Section 4. If Debtor is an organization that has only one place of business, the address of Debtor's place of business, or if Debtor has more than one place of business, then the address of Debtor's chief executive office, is as set forth below Section 4. Debtor shall not change its legal name or address without providing at least 30 days prior written notice of the change to Secured Party.

- (d) **FIXTURES** - If the Collateral is or is to be attached to real estate, the legal description of such real estate is (include county): 24652 FILED
RECORDATION NO.

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SURFACE TRANSPORTATION BOARD

- (e) **ORGANIZATION** - If Debtor is an organization, the type of organization and the state under whose law it is organized are as set forth below Section 4. Debtor, if it is an organization, shall not change its type of organization or state under whose law it is organized and shall preserve its organizational existence, and Debtor, whether or not Debtor is an organization, shall not, in one transaction or a series of related transactions, merge into or consolidate with any other organization, change Debtor's legal structure, or sell or transfer all or substantially all of Debtor's assets.

4. PERSONS BOUND AND OTHER PROVISIONS

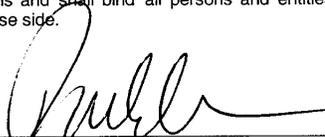
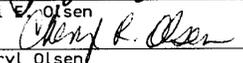
The obligations of all Debtors under this Agreement are joint and several. This Agreement benefits Secured Party, its successors and assigns, and binds Debtor(s) and their respective heirs, personal representatives, successors and assigns and shall bind all persons and entities who become bound as a debtor to this Agreement. This Agreement includes the Additional Provisions on the reverse side.

_____ (SEAL)

TYPE OF ORGANIZATION _____
 Address: N2009 Majestic Pines Circle
Wautoma, WI 54982
SEE SECTIONS 3(b) and (c)

County: Waushara

STATE OF ORGANIZATION _____


 _____ (SEAL)
 Paul E. Olsen

 _____ (SEAL)
 Cheryl Olsen

_____ (SEAL)

_____ (SEAL)

5. ADDITIONAL PROVISIONS

(a) **Maintenance of Collateral.** Debtor shall maintain the Collateral in good condition and repair and not permit its value to be impaired; keep it free from all liens, encumbrances and security interests (other than those created or expressly permitted by this Agreement); defend it against all claims and legal proceedings by persons other than Secured Party; pay and discharge when due all taxes, license fees, levies and other charges upon it; not sell, lease, license or otherwise transfer or dispose of it or permit it to become a fixture or accession to other goods except as specifically authorized in this Agreement or in writing by the Secured Party, and not permit it to be used in violation of any applicable law, regulation or policy of insurance. Loss of or damage to the Collateral shall not release Debtor from any of the Obligations.

(b) **Insurance.** Debtor shall keep the Collateral, and Secured Party's interest in it, insured for all risks of physical damage to or loss of the Collateral (including loss or damage occasioned by flood if the Collateral includes a building or mobile home on a permanent foundation), under policies with such provisions, for such amounts and by such insurers as shall be satisfactory to Secured Party from time to time, and shall furnish satisfactory evidence of such insurance to Secured Party. Subject to Secured Party's satisfaction, Debtor is free to select the insurance agent or insurer through which insurance is obtained. Debtor assigns (and directs any insurer to pay) to Secured Party the proceeds of all such insurance and any premium refund and authorizes Secured Party to endorse in the name of Debtor any instrument for such proceeds or refunds and, at the option of Secured Party, to apply such proceeds and refunds to any unpaid balance of the Obligations, whether or not due, and/or to restoration of the Collateral, returning any excess to Debtor. Secured Party is authorized, in the name of Debtor or otherwise, to make, adjust and/or settle claims under any credit insurance financed by Secured Party or any insurance on the Collateral or cancel the same after the occurrence of an event of default. If Debtor fails to keep any required insurance on the Collateral, Secured Party may purchase such insurance for Debtor, such insurance may be acquired by Secured Party solely to protect the interest of Secured Party (and will not cover Debtor's equity in the Collateral), and Debtor's obligation to repay Secured Party shall be in accordance with section 5 (e).

(c) **Inspection of Collateral.** Secured Party is authorized to examine the Collateral wherever located at any reasonable time or times; and Debtor shall assist Secured Party in making any such inspection.

(d) **Maintenance of Security Interest.** Debtor shall pay all expenses and, upon request, take any action reasonably deemed advisable by Secured Party to preserve the Collateral or to establish, evidence, determine and maintain priority of, perfect, continue perfected, terminate and/or enforce Secured Party's interest in it or rights under this Agreement. Debtor authorizes Secured Party to file Uniform Commercial Code financing statements describing the Collateral and amendments to such financing statements and ratifies any such financing statement or amendment filed prior to the date of this Agreement. Debtor will cooperate with Secured Party in obtaining control of Collateral and other security for the Obligations for which control may be required to perfect Secured Party's security interest under applicable law.

(e) **Authority of Secured Party to Perform for Debtor.** If Debtor fails to perform any of Debtor's duties set forth in this Agreement or in any evidence of or document relating to the Obligations, Secured Party is authorized, in Debtor's name or otherwise, to take any such action including without limitation signing Debtor's name or paying any amount so required, and the cost shall be one of the Obligations secured by this Agreement and shall be payable by Debtor upon demand with interest from the date of payment by Secured Party at the highest rate stated in any evidence of any Obligation but not in excess of the maximum rate permitted by law.

(f) **Accounting.** If the extent to which Secured Party's interest in the Collateral is a purchase money security interest depends on the application of a payment to a particular obligation of Debtor, the payment shall first be applied to obligations of Debtor for which Debtor did not create a security interest in the order in which those obligations were incurred and then to obligations of Debtor for which Debtor did create a security interest, including the Obligations secured by the Collateral, in the order in which those obligations were incurred; provided, however, that Secured Party shall retain its security interest in all Collateral regardless of the allocation of payments.

(g) **Default.** Upon the occurrence of one or more of the following events of default:

(1) **Nonperformance.** Debtor fails to pay when due any of the Obligations, or to perform, or rectify breach of, any warranty or other undertaking by Debtor in this Agreement or in any evidence of or document relating to the Obligations;

(2) **Inability to Perform.** Debtor, Debtor's spouse or a surety for any of the Obligations dies, ceases to exist, becomes insolvent or the subject of bankruptcy or insolvency proceedings; or any guaranty of the Obligations is revoked or becomes unenforceable for any reason;

(3) **Misrepresentation.** Any warranty or representation made to induce Secured Party to extend credit to Debtor, under this Agreement or otherwise, is false in any material respect when made; or

(4) **Insecurity.** Any other event which causes Secured Party, in good faith, to deem itself insecure;

all of the Obligations shall, at the option of Secured Party and without any notice or demand, become immediately payable; and Secured Party shall have all rights and remedies for default provided by the Wisconsin Uniform Commercial Code, as well as any other applicable law and any evidence of or document relating to the Obligations. With respect to such rights and remedies:

(5) **Repossession.** Secured Party may take possession of the Collateral without notice or hearing, which Debtor waives.

(6) **Assembling Collateral.** Secured Party may require Debtor to assemble the Collateral and to make it available to Secured Party at any place reasonably designated by Secured Party.

(7) **Notice of Disposition.** Written notice, when required by law, sent to any address of Debtor in this Agreement at least 10 calendar days (counting the day of sending) before the date of proposed disposition of the Collateral is reasonable notice.

(8) **Expenses and Application of Proceeds.** Debtor shall reimburse Secured Party for any expense incurred by Secured Party in protecting or enforcing its rights under this Agreement, including without limitation reasonable attorneys' fees and legal expenses and all expenses of taking possession, holding, preparing for disposition, and disposing of the Collateral (provided, however, Secured Party has no obligation to clean-up or otherwise prepare the Collateral for sale). After deduction of such expenses, Secured Party shall apply the proceeds of disposition to the extent actually received in cash to the Obligations in such order and amounts as it elects or as otherwise required by this Agreement.

(9) **Waiver.** Secured Party may waive any default without waiving any other subsequent or prior default by Debtor.

(h) **Consumer Debt.** Even though the Collateral may at any time secure a consumer transaction as defined in the Wisconsin Consumer Act ("Consumer Debt") by reason of this or any other agreement, Secured Party may exercise the rights and remedies in the Collateral as provided by this Agreement and the Uniform Commercial Code while any Obligation which is not Consumer Debt remains outstanding. If Secured Party disposes of Collateral pursuant to such rights, Secured Party shall hold, as possessory Collateral to secure any unpaid Consumer Debt, subject to the terms of the Wisconsin Consumer Act and any separate consumer security agreement relating to the Collateral, any proceeds in excess of the amount required to satisfy the non-Consumer Debt and the expenses referred to in section 5(g)(8) above.

(i) **Non-Liability of Secured Party.** Secured Party has no duty to protect, insure or realize upon the Collateral. Debtor releases Secured Party from any liability for any act or omission relating to the Obligations, the Collateral or this Agreement, except Secured Party's willful misconduct.

(j) **Waiver of Defenses Against Assignee.** Unless otherwise provided in the documents evidencing the Obligations, Debtor shall not assert against any assignee of Secured Party's rights under this Agreement or any evidence of the Obligations any claim or defense Debtor may have against Secured Party.

(k) **Charging Debtor's Credit Balance.** Unless a lien would be prohibited by law or would render a nontaxable account taxable, Debtor grants Secured Party, as further security for the Obligations, a security interest and lien in any deposit account Debtor may at any time have with Secured Party and other money now or hereafter owed Debtor by Secured Party and, in addition, agrees that Secured Party may, at any time after the occurrence of an event of default, without prior notice or demand, set-off all or any part of the unpaid balance of the Obligations against any deposit balances Debtor may at any time have with Secured Party or other money now or hereafter owed Debtor by Secured Party.

(l) **Interpretation.** The validity, construction and enforcement of this Agreement are governed by the internal laws of Wisconsin. All terms not otherwise defined have the meanings assigned to them by the Wisconsin Uniform Commercial Code as amended from time to time. Invalidity of any provision of this Agreement shall not affect the validity of any other provision.

Paul E. Olsen
Cheryl Olsen

Chattel Security Agreement Attachment

Fifty (50) 4,750 cubic foot covered hopper railroad cars bearing the following serial numbers:

OLSX 10267
OLSX 10371
OLSX 10276
OLSX 10295
OLSX 10306
OLSX 10313
OLSX 10314
OLSX 10346
OLSX 10350
OLSX 10358
OLSX 10786
OLSX 10788
OLSX 10789
OLSX 10780
OLSX 11114
OLSX 11123
OLSX 11457
OLSX 11460
OLSX 11671
OLSX 11675
OLSX 11685
OLSX 11705
OLSX 11706
OLSX 11708
OLSX 11709
OLSX 11711
OLSX 11712
OLSX 11716
OLSX 11717
OLSX 11718
OLSX 11740
OLSX 11741
OLSX 11797
OLSX 11804
OLSX 11805
OLSX 11806
OLSX 11814
OLSX 11819
OLSX 11824
OLSX 11833
OLSX 11834
OLSX 12041
OLSX 12044
OLSX 12045
OLSX 12046
OLSX 12058
OLSX 12062
OLSX 12063
OLSX 12117
OLSX 12124