

**OSTER**  
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January 16, 2004

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

24783 FILED  
JAN 16 11:02 AM  
SURFACE TRANSPORTATION BOARD

Dear Sir:

Enclosed for recording with the Surface Transportation Board is a Memorandum of Security Agreement dated 1/5/04 including the following parties and railroad equipment:

Secured Party:	Wells Fargo Equipment Finance, Inc. Investors Building, Suite 700 733 Marquette Avenue South Minneapolis, MN 55402
Debtor:	Colorado Lava, Inc. 8100 31 <sup>st</sup> Street West Milan, Illinois 61264
Equipment:	20, Open-top Hoppers CLAX 1000-1019 (previously marked SIEX)

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

Summary: Memorandum of Security Agreement 1/5/04 between Wells Fargo Equipment Finance, Inc. as Secured Party and Colorado Lava, Inc. as Debtor including SIEX 1000-1019.

Sincerely,



Mary Ann Oster  
Research Consultant

Enclosure



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

**Memorandum of Security Agreement**

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") is made this 5th day of January 2004, by and between Colorado Lava, Inc., a Iowa corporation ("Debtor"), and WELLS FARGO EQUIPMENT FINANCE, INC, a Minnesota Corporation ("Secured Party").

A. The Debtor is indebted to the Secured Party pursuant to that certain Promissory Note dated as of January 05, 2004 (the "Note") executed by the Debtor in favor of the Secured Party.

B. To secure the Debtor's obligations to the Secured Party, the Debtor executed and delivered to the Secured Party a Security Agreement dated January 05, 2004 pursuant to which the Debtor granted to the Secured Party a continuing, first priority security interest in and to, and lien on, the following collateral:

(a) Twenty (20) 1978 Open Top Hopper Railcars with the following markings described on Schedule A attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;

(b) all improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;

(c) all logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;

(d) all rights, claims and causes of action, if any, which the Debtor may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract of otherwise, in respect of any defect in the Railcars or any part thereof;

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

Wells Fargo Equipment Finance, Inc.

Colorado Lava, Inc.

By: R.H. O'Bannon  
 Rocky H. O'Bannon  
 Title: Contract Administrator

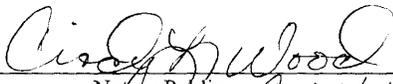
By: Ronald D. Bjurstrom  
 Pres.  
 Title: \_\_\_\_\_

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 JAN 14 2004 11:32 AM  
 SURVEILLANCE DEPT. RECORDS

STATE OF INDIANA  
COUNTY OF DEKALB

On this 8<sup>th</sup> day of January, 2004, before me, a Notary Public of the City and State aforesaid, personally appeared Ronald Bjstrom, to me personally known, who being by me duly sworn, says that he is the President of Colorado Lava, Inc., an Iowa corporation, the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

  
Notary Public CINDY L. WOOD

My commission expires: March 5, 2008

STATE OF Minnesota  
COUNTY OF Hennepin

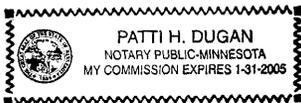
On this 12<sup>th</sup> day of January, 2004, before me a Notary Public of the City and State aforesaid, personally appeared Rocky O'Bannon, to me personally known who being by me duly sworn, says that (he/she) is a Contract Adm. of Wells Fargo Equipment Finance, Inc., that foregoing instrument is/was signed on behalf of said corporation by authority of its Board of Directors, and (he/she) acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

(Seal)

  
Notary Public

My commission expires: 1/31/2005





Wells Fargo Equipment Finance, Inc.  
 Financial Center, Suite 1280  
 600 Walnut Street  
 Des Moines, IA 50309

**Schedule A**

Contract Number 61059-701 dated as of January 05, 2004

Debtor: Colorado Lava, Inc.

Equipment originally located at: 8100 - 31<sup>st</sup> Street West Milan, IL 61264

Quantity	Description
20	1978 Open Top Hopper Railcars

Railcar Markings:

- CLAX 1000
- CLAX 1001
- CLAX 1002
- CLAX 1003
- CLAX 1004
- CLAX 1005
- CLAX 1006
- CLAX 1007
- CLAX 1008
- CLAX 1010
- CLAX 1011
- CLAX 1012
- CLAX 1013
- CLAX 1014
- CLAX 1015
- CLAX 1016
- CLAX 1017
- CLAX 1018
- CLAX 1019

Dated: January 05, 2004

Debtor: Colorado Lava, Inc.

By: x *Ronald O. Bjorkstrom*

Title: x *Pres.*

