RECORDATION NO. 26351 FILED

MAY 19 '06 1-18 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

May 19, 2006

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Security Agreement, dated as of May 18, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Buyers: Grandluxe Holdings LLC
1011 14th Street
Fort Lupton CO 80621

GL Railcar Equipment, LLC
1011 14th Street
Fort Lupton CO 80621

Secured Party: C.G. Grefenstette, E.C. Johnson and Bruce I. Crocker, Trustees U/AT dated 8/28/68 for Henry Lea Hillman, Jr.
1900 Grant Bldg.
Pittsburgh, PA 15219

A description of the railroad equipment covered by the enclosed document is:

15 railcars:

AOEX 800026
AOEX 800050
AOEX 800218
AOEX 800246
AOEX 800255
AOEX 800668
AOEX 800715
AOEX 800742
AOEX 800743
AOEX 800755
AOEX 800757
AOEX 800764
AOEX 800765
AOEX 800768
UP 7000

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

Security Agreement.

Also enclosed is a check in the amount of $34.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

Edward M. Luria

RWA/sem
Enclosures

RECORDATION NO. 26351 FILED

MAY 19 '06 1-18 PM

SURFACE TRANSPORTATION BOARD

# SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is made and entered into as of the 18th day of May, 2006, by and between **GRANDLUXE HOLDINGS LLC**, a Colorado limited liability company ("GLH"), and **GL RAILCAR EQUIPMENT, LLC**, an Oregon limited liability company ("GL Railcar") (GLH and GL Railcar are collectively referred to as "Buyer") and **C.G. GREFENSTETTE, E.C. JOHNSON AND BRUCE I. CROCKER, TRUSTEES U/A/T DATED 8/28/68 FOR HENRY LEA HILLMAN, JR.**, a Pennsylvania trust ("Secured Party").

## RECITALS:

A. Buyer and certain subsidiary limited liability companies of Buyer are acquiring certain operating assets of Oregon Rail Holdings LLC, an Oregon limited liability company, American Orient Express Railway Company LLC, an Oregon limited liability company, AOE Rail Services LLC, an Oregon limited liability company, AOE Equipment LLC, an Oregon limited liability company ("Equipment") and AOE Rail Expeditions LLC, an Oregon limited liability company (collectively referred hereafter as the "Sellers") pursuant to an Asset Purchase Agreement of even date herewith (the "Purchase Agreement") between Buyer, such subsidiaries and Sellers.

B. Pursuant to an Assignment and Assumption of Leases, dated as of May 18, 2006, GL Railcar is the successor lessee to Equipment under (a) that certain Lease Intended as Security (Lease Number 3108) dated as of October 30, 2002, as amended (the "PNC Lease") between PNC Equipment Finance, LLC ("PNC") and Equipment and (b) that certain Lease Intended as Security (Lease Number 03794-00600) dated as of October 30, 2002, as amended (the "BofA Lease") between Banc of America Leasing & Capital, LLC and Equipment, as assigned to PNC (the PNC Lease and the BofA Lease are referred to collectively as the "Leases");

C. Secured Party has guaranteed certain of the payment and performance obligations of Equipment under the Leases pursuant to two separate Guaranties dated as of October 30, 2002, as amended (collectively, the "Guaranties");

D. Pursuant to that certain Lease Guaranty Support Agreement of even date herewith (the "Support Agreement") Secured Party has agreed to continue the guarantee of the Leases until such time as Buyer, using reasonable commercial efforts, has arranged replacement financing for the Leases or otherwise caused Secured Party's obligations under the Guaranties to be released;

E. Under the terms of the Support Agreement, Buyer is obligated to pay to Secured Party a guaranty fee (the "Guaranty Fee") on or before June 30, 2007, and certain additional amounts for each month (or portion of a month) after June 30, 2007 during which Secured Party has any outstanding liability with respect to the Guaranties (the "Late Fees"); and

F. To secure each and every obligation, covenant and agreement of the Buyer under the Support Agreement, including without limitation Buyer's obligations under Section 3.1 thereof and Buyer's obligation to pay the Guaranty Fee and the Late Fees to Secured Party

(collectively, the "Obligations"), Buyer is granting a security interest in certain railcars to and in favor of Secured Party pursuant to the terms and conditions set forth herein.

## AGREEMENT

In consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Definitions; Construction. Any terms not otherwise defined herein shall have the meaning set forth in the Support Agreement. In the event of any inconsistencies between this Agreement and the Support Agreement, the terms of the Support Agreement shall govern except that this Agreement shall control the creation, perfection, protection, enforcement and termination of Secured Party's security interests granted hereunder.

2. Obligations Secured. The obligations of Buyer secured by this Agreement are the Obligations.

3. Grant of Security Interest. To secure the timely payment and performance of the Obligations (and with the understanding that as of the date hereof Buyer is acquiring the assets described below), the Buyer hereby grants to Secured Party a security interest in, and hereby pledges to and in favor of Secured Party, all right, title and interest of such Buyer now owned or existing or hereafter acquired or arising in, to or under the following:

(a) the railcars respectively identified and described in attached Schedule 3(a) together with any after-acquired railcars ("Railcars");

(b) replacements or substitutions of Railcars otherwise required or permitted under the terms hereof; and

(c) all profits, income and revenues derived from and proceeds of all of the foregoing (hereafter collectively referred to as the "Collateral"), including (i) all rights of any Buyer to receive monies due or to become due related to the Collateral; (ii) all rights of any Buyer to receive proceeds of any insurance with respect to the Collateral; and (iii) to the extent not included in the foregoing, all proceeds receivable or received when any or all of the Collateral is sold, exchanged or otherwise disposed of, whether voluntarily or involuntarily.

4. Perfection of Security Interests.

4.1 Surface Transportation Board. The Buyer also hereby authorizes Secured Party, its representatives, agents and attorneys, to submit for recordation with the Surface Transportation Board ("STB") such memorandum or other written evidence as may be necessary and permitted by 49 U.S.C. § 11301 and 49 CFR Part 1177 to give notice of the lien and security interest in the Railcars granted to Secured Party herein pursuant to Section 3(a) above. Buyer agrees to furnish such information and/or execute such additional documents as may be required by STB to complete such recordation promptly upon request of Secured Party.

4.2 Further Assurances. From time to time upon Secured Party's reasonable request, Buyer will promptly execute and deliver all further instruments and documents, and take all further action, that may be deemed necessary in Secured Party's reasonable judgment, in order to protect and maintain perfection of the security interest granted herein or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, Buyer will authorize the filing of such additional STB recordations, or amendments thereto, and such other instruments, endorsements or notices as may be reasonably necessary, or as Secured Party may otherwise reasonably request, in order to maintain perfection of and otherwise preserve such security interests. "Without limiting the generality of the foregoing, Buyer will advise Secured Party in writing, no later than 10 days from the effective date, of any change to any of the car numbers set forth on Schedule 3(a) hereto."

5. Buyer's Representations, Warranties and Covenants.

(a) Representations and Warranties. The Buyer represents and warrants that:

(i) The Buyer owns the Collateral listed opposite its name on Schedule 3(a) hereto or otherwise has the rights it purports to have in each item of Collateral and, as to all Collateral whether now existing or hereafter acquired, will continue to own or have such rights in each item of Collateral, in each case free and clear of any and all liens, rights or claims except as otherwise permitted hereunder or under the Purchase Agreement;

(ii) upon the filing of STB recordations pursuant to Section 4.1 above, naming the Buyer as "debtor" and Secured Party as "secured party" and describing the Collateral, the security interests granted to Secured Party hereunder will constitute perfected liens in the Collateral;

(iii) no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the grant by Buyer of the security interest granted to Secured Party hereunder, or for the exercise by Secured Party of any rights or remedies in respect of any Collateral; and

(iv) to the best of Buyer's knowledge based upon its due diligence as of the date of closing under the Purchase Agreement, all information supplied by Buyer to Secured Party with respect to the Collateral is accurate and complete in all material respects; and

(b) Covenants and Agreements. Buyer hereby covenants and agrees that:

(i) Buyer will keep correct and accurate records of the operation and disposition of Railcars as are maintained under customary business practices and shall allow Secured Party to inspect such records and Collateral;

(ii) if any Railcars are in possession or control of any third party, Buyer shall cooperate with Secured Party in notifying such third party of Secured Party's security interest and obtaining an acknowledgment thereof from such third party;

(iii) Buyer shall keep the Collateral in good order and repair and shall not use or permit any Collateral to be used unlawfully or in violation of any provision of this Agreement or any applicable statute, regulation or ordinance, or any policy of insurance covering the Collateral;

(iv) Buyer (A) shall not cause or permit any Railcar to be used or assigned for use in service involving regular operation outside the United States, Canada and Mexico; (B) shall use, operate, protect and maintain all Railcars in compliance with all applicable standards of the Association of American Railroads ("AAR") and any successor organization; (C) shall replace at its expense any missing, broken, damaged, cracked or non-functioning parts of Railcars that are necessary to be replaced for the normal use and operation thereof; (D) shall arrange for all required tests to be conducted and scheduled in accordance with AAR requirements; and (E) shall use Railcars only in passenger revenue service and not in company service, maintenance of way service or for storage of company materials.

(v) (I) Buyer assumes all risk of, and shall promptly notify Secured Party of any occurrence of, any damage to or loss, theft, confiscation or destruction of (together, "Casualty") each Railcar from any cause whatsoever from and after the Closing under the Purchase Agreement. If any Railcar suffers a Casualty on or after the Closing, Buyer shall, if the Casualty is damage that is reparable in the judgment of Buyer, utilizing insurance proceeds, if insurance is in place, or to the extent there is no insurance, at its own expense promptly place the same in good repair, condition or working order, and if the Railcar is lost, stolen, confiscated, destroyed or damaged beyond repair ("Total Loss"), Buyer at its election shall either (a) as soon as practicable after such occurrence, utilizing insurance proceeds, if insurance is in place, replace the lost Railcar with one of comparable value, utility and economic useful life or (b) within 30 days after the date of such occurrence, prepay the Leases in an amount equal to the Casualty Value (as defined in the Leases) that such Railcar would have had if such Railcar had been a "Unit" under and as defined in the Leases. Upon such replacement or payment, Buyer shall become entitled to any remaining proceeds of insurance maintained by Buyer. If any Railcar suffering a repairable Casualty is repaired by Buyer at its expense to a value, utility and economic useful life at least equal to that of the Railcar prior to the Casualty, Buyer shall become entitled to proceeds of insurance, for the reimbursement of repair costs incurred, maintained by Buyer.

(II) Buyer, at its own expense, shall keep each Railcar insured against all risks for the fair market value of the Railcar, and shall maintain public liability insurance against such risks and for such amounts as Secured Party may reasonably request. All such insurance shall be in such form and with such companies as Secured Party shall approve, and shall provide that such insurance may not be canceled or altered in any way that would affect the interest of Secured Party without at least 30 days' prior written notice to Secured Party (10 days' in the case of nonpayment of premium). All insurance shall be primary, without right of contribution from any other insurance carried by Secured Party, shall contain waiver of subrogation and "breach of warranty" provisions (relating to Buyer's warranties under this

Security Agreement and related documents) satisfactory to Secured Party, shall provide that all amounts payable by reason of loss or damage to the Railcars shall be payable in accordance with the requirements of the Leases, shall include liability and property damage insurance, including without limitation theft insurance covering the Railcars that contains no exclusions for hijacking while they are operated in Mexico and Canada, and shall contain such other endorsements as Secured Party may reasonably require. Buyer shall provide Secured Party with evidence reasonably satisfactory to Secured Party of the required insurance at the Closing and promptly upon any renewal of any required policy."

(vi) Buyer shall make or cause to be made the necessary repairs to or replacements of Railcars within three (3) months after the occurrence of insured loss or damage thereto, and any proceeds of applicable insurance maintained by Buyer not required for Buyer as such repairs or replacement shall be retained by Buyer;

(vii) upon the occurrence and during the continuance of any Event of Default or upon the actual or constructive total loss (in excess of $50,000 per occurrence) of any Railcars all insurance proceeds paid in connection with such Railcars shall be paid to Secured Party and either applied against the Obligations;

(viii) other than the security interest created by this Agreement Buyer shall not create or allow any lien upon or with respect to any of the Collateral, except (A) liens permitted hereunder or under the Support Agreement or (B) liens to which Secured Party has given its prior written consent, and so long as this Agreement remains effective Buyer shall defend the Collateral against all parties claiming any adverse interest therein;

(ix) Buyer shall not change its name, identity, corporate structure, primary place of business, chief executive office or jurisdiction of organization unless they respectively shall have (A) notified Secured Party in writing prior to any such change, identifying such new proposed name, identity, corporate structure, primary place of business, chief executive office or jurisdiction of organization and (B) taken all actions necessary to maintain the continuing validity, perfection and priority of Secured Party's security interest in the Collateral granted hereunder;

(x) Buyer shall pay promptly when due all property and other taxes, assessments and governmental charges or levies ("Taxes") imposed upon, and all claims (including claims for labor, materials and supplies) ("Claims") against, the Collateral, except to the extent the validity thereof is being contested in good faith; provided, Buyer shall in any event pay such Taxes and/or Claims immediately upon commencement of proceedings to foreclose any lien or enforce any writ, warrant of attachment or levy related to collection of any such Taxes or Claims;

(xi) Upon Buyer or any of its officers obtaining knowledge thereof, Buyer shall promptly notify Secured Party of any event that materially and adversely affects (A) the value of the Collateral or any portion thereof, (B) the ability of Secured Party to dispose of the Collateral or any portion thereof, or (C) the rights and remedies of Secured Party in

relation thereto, including without limitation the levy of any legal process against the Collateral or any material portion thereof;

(xii) Buyer shall not take or permit any action which would have the effect of impairing Secured Party's rights in the Collateral; and

(xiii) Buyer shall not without Secured Party's prior written consent (A) enter into any sublease of any Railcar, or (B) sell, transfer or assign (by operation of law or otherwise) any other of the Collateral except as otherwise expressly permitted hereunder or under the Support Agreement.

6. Default and Remedies.

6.1 Events of Default. It shall be an Event of Default hereunder if (a) any Buyer fails to pay and perform the Obligations and/or (b) any Buyer violates its warranties or otherwise fails to perform its covenants and agreements pursuant to Section 5 hereof. For purposes of (a) above, the occurrence of an "Event of Default" under the terms of Section 12 of any of the Leases (but subject to any applicable rights to cure such defaults provided therein) shall constitute a failure by Buyer to perform the Obligations as required under Section 2 hereof.

6.2 Notice of Default. Upon the occurrence of an Event of Default, Secured Party shall give thirty (30) days' written notice to Buyer ("Notice of Default") that unless the Event of Default has been fully cured within such period, Secured Party will pursue its rights and remedies under the terms of this Agreement and under applicable law; provided that if the Event of Default is non-monetary and cannot reasonably be cured within such fifteen (15) day period, Buyer shall be entitled to an additional period not to exceed ninety (90) days within which to cure such Event of Default using reasonable diligence.

6.3 Remedies. If an Event of Default has occurred and has not been fully cured within the period prescribed in Section 6.2, Secured Party may exercise all rights and remedies provided for herein and otherwise provided to a secured party under applicable law, to collect, enforce or satisfy any of the Obligations then owing, whether by acceleration or otherwise, and also may pursue any of the following separately, successively or simultaneously:

(a) Secured Party may require Buyer, at Buyer's expense and promptly upon Secured Party's request, to assemble all or any part of the Collateral and make it available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties;

(b) Secured Party may enter onto property of Buyer where any Collateral is located and take possession thereof in accordance with applicable law;

(c) prior to disposition of the Collateral, Secured Party may store, process, repair or recondition the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent Secured Party deems it appropriate;

(d) Secured Party may without notice, except as otherwise specified below or under applicable law, sell, assign, lease, license (on an exclusive or nonexclusive basis) or otherwise dispose of the Collateral or any part thereof in one or more portions at public or private sale, at any of Secured Party's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as Secured Party may deem commercially reasonable;

(e) Secured Party shall be authorized to apply the proceeds of such sale or sales against such amounts as may remain due and payable under the Leases for purposes of obtaining the full satisfaction thereof;

(f) Secured Party may be the purchaser of any or all of the Collateral at any public or private sale in accordance with applicable law shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale made in accordance with applicable law, apply all or any portion of the unpaid Obligations as a credit on account of the purchase price for any Collateral payable by Secured Party at such sale. Any purchaser at any such sale shall receive the property sold free from any claim or right on the part of Buyer, except any rights of redemption, stay and/or appraisal which Buyer has or may at any time in the future have under any applicable law. Buyer agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to Buyer of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Buyer hereby waives any claims against Secured Party arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if Secured Party accepts the first offer received. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Obligations, Buyer shall be liable for the deficiency and for the fees of counsel employed by Secured Party to collect such deficiency; and

(g) Secured Party may sell the Collateral without giving any warranties and otherwise may specifically disclaim or modify any warranties of title as to the Collateral.

7. Continuing Security Interest; Termination. This Agreement shall create a continuing security interest in the Collateral, remain in full force and effect until the payment in full of the Obligations, be binding upon Buyer, its successors and assigns, and inure, together with the rights and remedies of Secured Party hereunder, to the benefit of Secured Party and its successors, transferees and assigns. Upon payment in full of the Obligations, the security interest granted hereby shall terminate hereunder and of record, and all right, title and interest in and to the Collateral shall revert to Buyer. Upon such termination Secured Party shall execute and deliver to Buyer such documents as Buyer may reasonably request to evidence such termination.

8. Secured Party's Standard of Care. The powers and authority conferred upon Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon Secured Party to exercise any such powers or authority. Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights pertaining to any Collateral. Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which Secured Party accords its own property. Neither Secured Party nor any of its trustees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so, nor shall Secured Party be under any obligation to sell or otherwise dispose of any Collateral upon the request of Buyer or otherwise. If Buyer fails to perform any covenant or other agreement contained herein, Secured Party may itself perform, or cause performance of, such agreement, and the expenses of Secured Party incurred in connection therewith shall be payable by Buyer under Section 10.2 hereof.

9. Indemnity. Buyer shall defend, indemnify, pay and hold harmless Secured Party from and against any and all claims, losses and liabilities insured by Secured Party in any way relating to, growing out of or resulting from this Agreement, except to the extent such claims, losses or liabilities result from Secured Party's gross negligence or willful misconduct. The obligations of Buyer in this Section 9 shall survive the termination of this Agreement.

10. Miscellaneous.

10.1 Notices. Unless otherwise required by applicable law, all notices or other communications required herein or permitted to be given to Buyer or Secured Party, shall be delivered and deemed effective in accordance with Section 5.2 of the Support Agreement.

10.2 Expenses. Buyer agrees to pay promptly (a) all actual and reasonable expenses, fees and costs incurred by Secured Party pursuant to this Agreement in connection with the custody or preservation of any of the Collateral; and (b) after occurrence of an Event of Default, all costs and expenses, including reasonable attorneys' fees, incurred by Secured Party in enforcing the terms hereof and/or in collecting any payments due from Buyer hereunder by reason of such Event of Default (including amounts incurred in connection with the sale of or other realization upon any of the Collateral), including without limitation such expenses, fees and costs as may be incurred by Secured Party at trial, on any appeal and in any related bankruptcy or insolvency proceedings.

10.3 Amendments and Waivers. This Agreement may be amended only by an instrument in writing executed by both parties, which writing must refer to this Agreement. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand in any case shall entitle the recipient to any other or further notice or demand in similar or other circumstances.

10.4 Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective successors and assigns. Buyer shall not assign any right, duty or obligation hereunder without the prior written consent of Secured Party.

10.5 No Waiver; Remedies Cumulative. No failure or delay on the part of Secured Party in the exercise of any power, right or privilege hereunder shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights, powers and remedies existing under this Agreement are cumulative, and not exclusive of, any rights or remedies otherwise available. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

10.6 Marshaling; Payments Set Aside. Secured Party shall not be under any obligation to marshal any assets in favor of Buyer or against or in payment of any particular Obligations.

10.7 Severability. In case any provision in or obligation hereunder shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

10.8 Applicable Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania without regard to conflict of laws principles thereof; provided that federal statutes and regulations governing the ownership, registration, use, operation, maintenance, financing and sale of the Railcars shall be applicable and controlling to the extent necessary and appropriate for enforcement of the terms hereof.

10.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

10.10 Effectiveness. This Agreement shall become effective upon the execution of (a) a counterpart hereof by each of the parties hereto and (b) the execution of the Purchase Agreement by all of the parties thereto.

10.11 Entire Agreement. This Agreement and the Support Agreement embody the entire agreement and understanding between Buyer and Secured Party and supersede all prior agreements and understandings between such parties relating to the subject matter hereof.

*(Signature page follows)*

**IN WITNESS WHEREOF**, Buyer and Secured Party have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**BUYER:**

**GRANDLUXE HOLDINGS LLC,**
a Colorado limited liability company

By: _____
Name: Thomas G. Rader
Title: Manager

**GL RAILCAR EQUIPMENT, LLC,**
an Oregon limited liability company

**BY: GRANDLUXE HOLDINGS LLC,**
a Colorado limited liability company, as Manager

By: _____
Name: Thomas G. Rader
Title: Manager

State of Colorado )
)
County of Jefferson )

On this 18th day of May, 2006 before me appeared Thomas G. Rader, the person who signed this instrument, who acknowledged that he is the Manager of GrandLuxe Holdings LLC, a Colorado limited liability company, Buyer, that, being duly authorized, he signed such instrument as a free act on behalf of such company.

Witness my hand and seal

_____
Notary Public

My commission expires: 5-2-07

State of Colorado )
)
County of Jefferson )

On this 18th day of May, 2006 before me appeared Thomas G. Rader, the person who signed this instrument, who acknowledged that he is the Manager of GrandLuxe Holdings LLC, which is the Manager of GL Railcar Equipment, LLC, an Oregon limited liability company, Buyer, that, being duly authorized, he signed such instrument as a free act on behalf of such company.

Witness my hand and seal

Notary Public

My commission expires: 5-2-07

**SECURED PARTY:**

**C.G. GREFENSTETTE, E.C. JOHNSON AND BRUCE I. CROCKER, TRUSTEES U/A/T DATED 8/28/68 FOR HENRY LEA HILLMAN, JR.,**
a Pennsylvania trust

By: C. G. Grefenstette
Name: C. G. Grefenstette
Title: Trustee

By: Bruce I. Crocker
Name: Bruce I. Crocker
Title: Trustee

Commonwealth
State of Pennsylvania )
)
County of Allegheny )

On this 18th day of May, 2006 before me appeared C. G. Grefenstette and Bruce I. Crocker, the persons who signed this instrument, who acknowledged that (s)he is the Trustee of C.G. Grefenstette, E.C. Johnson and Bruce I. Cocker, Trustees U/A/T Dated 8/28/68 For Henry Lea Hillman, Jr., a Pennsylvania trust, as Secured Party that, being duly authorized, (s)he signed such instrument as a free act on behalf of such company.

Witness my hand and seal

Ann L. Shields
Notary Public

My commission expires:

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Ann L. Shields, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Aug. 6, 2008
Member, Pennsylvania Association of Notaries

## Schedule 3(a)

| Car Number | Car Name | Model Year | Description |
|---|---|---|---|
| AOEX 800668 | Grand Canyon (x2235) | 1956 | Crew Sleeper |
| AOEX 800715 | Los Angeles | 1950 | Baggage/Laundry |
| AOEX 800743 | Copper Canyon (x-9302) | 1955 | Great Dome/Observation |
| AOEX 800755 | Yellowstone Park | 1952 | Crew Sleeper |
| AOEX 800768 | Santa Fe | 1956 | Pullman Sleeper |
| AOEX 800026 | Tallahassee | 1956 | Crew Sleeper |
| AOEX 800255 | Berlin | 1950 | Pullman Sleeper |
| AOEX 800742 | New Orleans (x-10030) | 1955 | Great Dome/Observation |
| AOEX 800757 | Montreal (x2234) | 1956 | Pullman Sleeper |
| AOEX 800764 | Vancouver (fixed to Jasper) | 1954 | Galley Car |
| AOEX 800765 | Jasper (fixed to Vancouver) | 1954 | Diner |
| UP 7000 | UP Dome | 1954 | Dome coach |
| AOEX 800246 (*) | Monterey | 1950 | Sleeper/lounge |
| AOEX 800218 (*) | Portland | 1950 | Sleeper/lounge |
| AOEX 800050 (*) | San Francisco | 1950 | Sleeper/lounge |

All cars owned or to be owned by Buyer.

(*) Cars currently leased from Rail Ventures, Inc. These cars will be subjected to the lien of this Security Agreement as soon as practicable following the payment of the last lease rental, currently scheduled for July 2006. Buyer shall forthwith take all necessary and appropriate steps to perfect the security interest of Secured Party in these cars pursuant to Section 4.1 of this Security Agreement.

Buyer also agrees to take all necessary and appropriate steps to confirm and perfect the security interest of Secured Party in any railcars acquired by Buyer after the date of this Security Agreement from any source, including without limitation railcars acquired from any affiliate of Buyer.

## CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: May 19, 2006

Edward M. Luria