RECORDATION NO. 15020 Filed 1425

AUG 6 1986 -1 05 PM

INTERSTATE COMMERCE COMMISSION

LAW OFFICES
ALVORD AND ALVORD
200 WORLD CENTER BUILDING
918 SIXTEENTH STREET, N.W.
WASHINGTON, D.C.
20006-2973

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

ROBERT W. ALVORD+
CARL C. DAVIS*
CHARLES T. KAPPLER
JOHN H. DOYLE#
GEORGE JOHN KETO°
MILTON C. GRACE*
JAMES C. MARTIN, JR.#

*NOT A MEMBER OF D.C. BAR
+ALSO ADMITTED IN NEW YORK
°ALSO ADMITTED IN OHIO
#ALSO ADMITTED IN MARYLAND

JESS LARSON
JOHN L. INGOLDSBY
URBAN A. LESTER

CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
393-2266

TELEX
440367 A AND A

August , 1986

6-218A037

$10.00 fee fee

ICC OFFICE OF THE SECRETARY
AUG 6 1 03 PM '86
MOTOR OPERATING UNIT

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C.

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. section 11303 are the original and two counterparts of a Non-Recourse Note and Security Agreement dated August 1, 1986, a "primary document" as defined in the Commission's Rules for the Recordation of Documents.

New Member

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

Secured Party: First National Bank of Louisville
P.O. Box 36000
Louisville, Kentucky 40233

Debtor: Greenbrier Leasing Corporation
Suite 200
One Centerpointe Drive
Lake Oswego, Oregon 97034

The railroad equipment covered by the enclosed document is set forth in Exhibit "A" attached hereto and made a part hereof.

Also enclosed is a check in the amount of $10 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Operator Pirate - E.H. Harman

AUG 6 1986
Date
Fee $ 10.00
ICC Washington, D. C.

Kindly return the original and one counterpart of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

A short summary of the enclosed primary document to appear in the Commission's Index is:

> Non-Recourse Note and Security Agreement dated August 1, 1986 between First National Bank of Louisville, Secured Party, and Greenbrier Leasing Corporation, Debtor, covering forty-three (43) 70-ton Flatcars, identified by SP marks and numbers 700000 through 700042, both inclusive.

Very truly yours,

Charles T. Kappler myh

Charles T. Kappler

CTK/myh
Enclosures

EXHIBIT "A"

Attached to and made a part of the Non-Recourse Note and Security Agreement dated August 1, 1986 between Greenbrier Leasing Corporation as Debtor and First National Bank of Louisville as Secured Party.

Description of Equipment

Number of Cars	Description	Identifying Marks and Numbers
43	General Service Flatcars, 53' 6" Inside Deck Length equipped with 70-ton Roller Bearing Trucks and 10" Freightmaster EOC Units	Within the range SP 700000 and SP 700042

N7302.4

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Mr. Charles T. Kappler, Esq.
Alvord and Alvord
918 Sixteenth Street, N. W.
Washington, D. C. 20006

Dear :Sir

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 8-6-86 at 1:05 P.M., and assigned re-recordation number(s). 15020.

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 15020 Filed 1425

AUG 6 1986 -1 05 PM

INTERSTATE COMMERCE COMMISSION

FIRST NATIONAL BANK OF LOUISVILLE

NON-RECOURSE NOTE AND SECURITY AGREEMENT

[redacted]

Date: August 1, 1986
Louisville, Kentucky

FOR VALUE RECEIVED, GREENBRIER LEASING CORPORATION, a Delaware corporation (hereinafter called the "Debtor"), hereby promises to pay to the order of FIRST NATIONAL BANK OF LOUISVILLE, a national banking association (hereinafter called the "Secured Party"), at its office in Louisville, Kentucky, the principal amount of [redacted] together with interest on the unpaid principal amount hereof outstanding from time to time at the rate of [redacted] per annum in [redacted] equal, successive monthly installments of [redacted] commencing on September 1, 1986, and on the 1st day of each month thereafter until paid in full. Interest shall be calculated on the basis of a 360 day year comprised of twelve (12) 30-day months.

Section 1. Grant of Security Interest

As security therefor, Debtor hereby gives the Secured Party a security interest in and lien on all of the Debtor's rights, title and interest in the property described in Exhibit "A" attached hereto and made a part hereof which property is now owned by Debtor or to be purchased by Debtor with the proceeds of this Note (hereinafter called the "Equipment"). As further security for this Note, Debtor hereby assigns to Secured Party (i) all monies due and to become due Debtor under the Lease Agreement dated May 1, 1986 (the "Lease") between Debtor and Southern Pacific Transportation Company (hereinafter the "Lessee") excluding any monies received by Debtor as indemnification by the Lessee for loss of tax benefits claimed by the Debtor, (ii) all of the Debtor's rights but not obligations under said Lease and (iii) the proceeds of any and all of the foregoing. The Equipment, the Lease, all monies due, the rights under the Lease and the proceeds thereof are herein collectively defined to be the "Collateral."

Section 2. Representations and Warranties of the Debtor

Debtor hereby represents and warrants that:

(i) this Note and Security Agreement has been duly authorized, executed and delivered by the Debtor and constitutes a legal, valid and binding agreement and obligation of the Debtor enforceable according to its terms, except as limited by applicable insolvency, moratorium or other similar laws or equitable principles affecting the rights of creditors generally,

(ii) neither the execution and delivery of this Note and Security Agreement or the Lease nor the consummation of the transactions herein contemplated nor the fulfillment of, nor compliance with, the terms and provisions hereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of the Articles of Incorporation or the bylaws of the Debtor or of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which the Debtor is a party or by which it or its property may be bound, or constitute (with the giving of notice or the passage of time or both) a default thereunder, or result in the creation or imposition of any lien, charge, security interest or other encumbrance of any nature whatsoever upon the Collateral pursuant to the terms of any such agreement or instrument,

(iii) it is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation, is duly qualified to do business in each jurisdiction (including the jurisdiction where the Equipment is, or is to be located) where failure to so qualify would materially adversely affect Debtor's business,

(iv) the Debtor has good title, as conveyed to it, to the Collateral free and clear of all security interests, liens and encumbrances, except for the respective interests of the Secured Party and the Lessee,

(v) the Lease is a valid and binding agreement of the Debtor and the Lessee, except as limited by applicable insolvency, moratorium or other similar laws or equitable principles affecting the rights of creditors and lessors generally,

(vi) the Lease constitutes the entire agreement between the Debtor and the Lessee and the Debtor has delivered to the Secured Party the original of the Lease,

(vii) no other assignment or security interest has been or will be granted with respect to the Collateral or the monies assigned hereunder, and,

(viii) the rents payable under the Lease assigned hereby to Secured Party are not, to the best knowledge of Debtor, subject to any defenses, setoffs or counterclaims.

(ix) the Equipment has been delivered and accepted by the Lessee, and the Lessee has acknowledged receipt and acceptance of the Equipment.

Section 3. Covenants of Debtor

The Debtor agrees:

(i) that all payments to be made by the Debtor hereunder shall be made to First National Bank of Louisville, P. O. Box 36000, Louisville, Kentucky 40233, Attention: Leasing Industry Financing,

(ii) that all right, title and interest of the Debtor in and to the Collateral and any payments with respect thereto are and shall be subject and subordinate to all of the right, title and interest of the Secured Party therein,

(iii) not to take any material action with respect to its right, title and interest in and to the Collateral without the prior written consent of the Secured Party, which will not be unreasonably withheld,

(iv) to execute and deliver any and all papers or documents which Secured Party may reasonably request from time to time in order to carry out the purposes hereof, or to facilitate the collection of monies due or to become due from the Lessee,

(v) that the Debtor will duly fulfill or cause to be fulfilled all of the obligations to be performed and assumed by it under the Lease and shall remain liable thereunder and that it will not, without Secured Party's prior written consent, modify, rescind, cancel or accept the surrender of the Lease or waive any of the provisions thereof or extend the time of payment for the rent thereunder,

(vi) to keep the Collateral free and clear of, or discharge within 45 days of the creation of, all mortgages, pledges, liens, charges, security interests and all other encumbrances whatsoever, except those created by this Note and Security Agreement, provided however that a property tax lien may remain on the Collateral in excess of the 45 day period set forth above so long as the Debtor or the Lessee discharges the lien on or before the date a penalty attaches for nonpayment of the tax, provided further that the following liens, mortgages, pledges, charges, security

interests and other encumbrances may remain on the Collateral in excess of the 45 day period:

a) liens for taxes (other than property taxes), assessments, or similar charges, incurred in the ordinary course of business, that are not yet due and payable;

b) liens of mechanics, materialmen, warehousemen, carriers, or other like liens, securing obligations incurred in the ordinary course of business that are not yet due and payable;

c) liens existing as of the date hereof or which the Secured Party has knowledge and has consented to in writing;

d) the following if the validity or amount thereof is being contested in good faith by appropriate and lawful proceedings, so long as levy and execution thereon have been stayed and continue to be stayed and they do not in the aggregate materially detract from the value of the Collateral, or materially impair the use thereof in the operation of Debtor's or Lessee's business:

1) claims or liens for taxes, assessments or charges due and payable and subject to interest or penalty;

2) claims, liens or encumbrances upon the Collateral including any attachment of the Collateral or other legal process prior to adjudication of a dispute on the merits;

3) claims or liens of merchants, materialmen, warehousemen, carriers, or other like liens; and

4) adverse judgments on appeal.

(vii) to keep or cause the Lessee to keep the equipment in good repair and operating condition without any cost or liability to Secured Party,

(viii) that all accessions which are or become attached to or part of the Equipment are or shall become subject to the terms of this Note and Security Agreement, to the extent permitted in the Lease,

(ix) to notify Secured Party upon its knowledge of any Lessee defaults in the payment or performance of any of its obligations under the Lease,

(x) not to sell, assign, transfer, mortgage or in any way encumber the Collateral, nor secrete, abandon or remove or attempt to remove the Equipment from the location stated in the Lease or by subsequent notification without the prior written notice to the Secured Party,

(xi) to allow Secured Party and its representatives free access and right of inspection of the Equipment at all reasonable times, and in the event of loss or damage to the Equipment, to send written notice thereof to the Secured Party,

(xii) that it will not remove its records concerning the Lease except to a jurisdiction where the Uniform Commercial Code shall be in effect, and upon 30 days' prior written notice to the Secured Party, and will permit Secured Party and its representatives to examine Debtor's books and records with respect to the Collateral and make extracts therefrom and copies thereof at any reasonable time and from time to time,

(xiii) that it shall not permit the Equipment to be or become fixtures under applicable law,

(xiv) to keep or cause the Lessee to keep the Equipment insured against public liability and loss by fire, theft and casualty, by insurers and in form, amount and coverage customary for such Equipment naming Secured Party as a loss payee or additional insured as its interests may appear and to assign and deliver the policies or certificates thereof to Secured Party as additional security;

(xv) to deliver to the Secured Party: (i) within 90 days after the end of each fiscal year of Debtor and within 45 days after the end of each fiscal quarter of Debtor, a balance sheet and income and surplus statement showing its financial condition as of the close of such year or quarter, as appropriate, and the results of its operations for such period, prepared in accordance with generally accepted accounting principal, consistently applied and each quarterly report certified by Debtor's chief financial officer with the annual report certified by an independent certified public accountant; (ii) promptly, such other information regarding the operations, business

and financial condition of Debtor which is made available to the public and/or filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933 and/or the Securities Exchange Act of 1934; and (iii) with reasonable promptness such other information regarding Debtor's operations, business and financial affairs as the Secured Party may reasonably request.

(xvi) to pay or cause Lessee to pay all charges, including without limitation, taxes and assessments, levied or assessed against Debtor which if unpaid would constitute an attachment on the Collateral or any portion thereof, provided however that should Lessee fail to make such payments as required pursuant to the Lease, Debtor shall have 45 days after the due date thereof to make said payments unless an attachment will be imposed on said Equipment prior to the end of said 45 day period in which event payment shall be made by Debtor prior to imposition of the attachment unless such attachment may not be foreclosed within such 45-day period.

Section 4. Rights of Secured Party

The Debtor hereby irrevocably constitutes and appoints Secured Party and any officer thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Debtor or in its own name, with the written consent of Debtor unless and until a default shall have occurred hereunder, for the purpose of carrying out the terms of this Note and Security Agreement to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Note and Security Agreement and, without limiting the generality of the foregoing the Debtor hereby gives Secured Party the power and right, on behalf of the Debtor, to endorse any loss payment or returned premium check and to make, settle and release any claim under any insurance policy with respect to the Collateral, and to do, at the Secured Party's option, at any time, or from time to time, all acts and things which the Secured Party deems necessary to protect, preserve or realize upon the Collateral and the Secured Party's security interest therein in order to effect the intent of this Note and Security Agreement, all as fully and effectively as the Debtor might do. The Debtor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof, except for actions taken in which Secured Party is negligent or the action is due to Secured Party's willful misconduct. This power of attorney is a power coupled with an interest, shall be irrevocable and shall terminate only upon payment in full of the obligations and termination of

this Note and Security Agreement. The powers conferred on Secured Party thereunder are solely to protect the Secured Party's interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Debtor for any action taken or omitted to be taken in good faith or in reliance on the advice of counsel except for its own negligence or willful misconduct.

Section 5. Collection of Rent

(a) Debtor shall notiy the Lessee that all rents payable under the Lease shall be paid to Secured Party's address or, in the event a lock box agreement is in effect between Debtor and Securied Party, to the address specificed in said agreement. The amounts from time to time received by the secured Party as rental under the Lease shall be applied to the amount of principal and interest then due and ayable on this Note and Security Agreement. All sums received by the Secured Party from the Lessee due to the Loss or destruction of the Colateral shall be applied to the remaining principal and interest then outstaanding on this Note and Security Agreement, with any excess paid by the Secured Party to Debtor. Any insurance proceeds as regards the Collateral shall be applied according to the terms of the Lease, but in the event the insurance proceeds are not used to replace or repair the Collateral for any reason whatsoever, said proceeds shall be paid to the Secured Party and applied to the principal and interest then outstanding on this Note and Security Agreement, with any excess paid by the Secured Party to Debtor.

(b) The Secured Party may, upon occurrence of an event of default hereunder, notify the Lessee that the Lease has been assigned to the Secured Party and that all rental payable thereunder shall be paid directly to the Secured Party. The Secured Party may also direct Debtor to so notify any Lessee, and Debtor agrees to follow any such directions. All rental received by Debtor from the Lessee so notified shall be received and held by Debtor in trust for the Secured Party and shall be delivered to the Secured Party immediately upon receipt thereof by Debtor in the same form as received except for Debtor's endorsement when necessary. In the event Debtor fails to endorse any instrument given in payment of rental, the Secured Party is hereby irreocably authorized to endorse the same on Debtor's behalf.

Section 6. Prepayment

(a) Debtor may voluntarily prepay the indebtedness evidenced by this Note and Security Agreement in whole or in part. In the event of a voluntary prepayment due to a casualty loss, as defined in the Lease, the voluntary prepayment shall be limited to that portion of unpaid principal under this Note and Security Agreement, together with accrued interest thereon, proportionately equal to the percentage that the original purchase price of the Equipment suffering such event of loss bears to the original purchase price of the Equipment then subject to the Lease, provided, however, that payments of principal and interest shall continue to be payable under this Note and Security Agreement together with any additional interest required pursuant to Section 7 hereof with regard to payments of principal and interest remaining unpaid after the same have become due and payable, until payment of such payments required under the Lease in the event of a loss.

(b) In the event of a voluntarily prepayment of the outstanding principal balance of this Note and Security Agreement due to any other cause, the amount due on this Note and Security Agreement shall equal the present value of the aggregate unpaid rent due under the original term of the Lease at the termination date, discounted to the termination date at a rate equal to the then current United States Treasury Note rate for such Treasury Notes with terms substantially equal to 60% of the original Lease term, plus 2%, and in addition, all accrued and unpaid interest on this Note and Security Agreement, at the date of payment to Secured Party. Provided that, in no event shall such prepayment amount equal less than the unpaid principal on the date of prepayment plus all accrued but unpaid interest on this Note and Security Agreement to such date. Provided further that, in the event of a prepayment pursuant to this subsection (b), the Debtor shall pay to Secured Party, in addition to said prepayment, a premium which shall be a percentage of the sum prepaid determined as follows:

Month of the initial term of the Lease during which prepayment made	Percentage of prepayment sum to be paid as a premium
1-12	1.00%
13-24	.75%
25-36	.50%
37-48	.25%

In lieu of prepaying this Note and Security Agreement pursuant to the above terms, the Debtor may offer to the Secured

Party and the Secured Party at its sole option may accept a substitute Lease or Leases of like quality and term.

Each of the remaining principal installments due hereunder shall be reduced in the proportion that the principal amount of the prepayment made pursuant to this Section bears to the unpaid principal amount outstanding immediately prior to the prepayment.

Section 7. Late Payment Rate

All payments not made when due under this Note and Security Agreement shall bear interest at the rate of 2.00% per month over the interest rate under this Note or the maximum applicable legal rate, whichever is lower.

Section 8. Limitations of Liability

Notwithstanding any other provision of this Note and Security Agreement, all obligations of Debtor hereunder are non-recourse; provided however, that Secured Party shall have recourse to Debtor for any claims arising out of the breach by Debtor of any of its representations, warranties, covenants and undertakings set forth herein (other than the payment of principal and interest provided for in this Note and Security Agreement). However, nothing in this paragraph shall be, or be deemed to be, a release or impairment of the indebtedness evidenced by this Note and Security Agreement, or the Secured Party's security interest in the Collateral, or the assignment of rentals due under the Lease or to preclude the Secured Party from resorting to the Collateral in case of any default hereunder subject to Lessee's rights under the Lease or from enforcing any of its rights under this Note and Security Agreement or the Lease in respect of the Collateral.

Section 9. Events of Default

Any of the following events shall constitute an Event of Default hereunder:

(i) Debtor shall fail to make any payment due hereunder within ten days after written notice that the same has become due,

(ii) an Event of Default under and as defined in the Lease shall have occurred and be continuing,

(iii) Debtor shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by Debtor hereunder or in any agreement or certificate furnished to Secured Party in connection herewith and such failure shall continue unremedied for a period of 15 days after notice thereof to Debtor unless Debtor is using

due diligence, in the opinion of the Secured Party's counsel, to correct such default,

(iv) any representation or warranty made by Debtor herein or in any document or certificate furnished to the Secured Party in connection herewith shall be materially incorrect when made,

(v) any report, certificate, financial statement or other instrument furnished by Debtor in connection with this Note and Security Agreement shall prove to be materially false or misleading and which Debtor knew was false or misleading prior to the giving of such information;

(vi) the Debtor shall have become insolvent or bankrupt or admit in writing its inability to pay any of its debts as they mature or make an assignment for the benefit of creditors, or a receiver or trustee shall have been appointed with respect to the Debtor or any of the Debtor's estate, and which receiver or trustee shall remain undischarged for 90 days after appointment.

(vii) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under the United States Bankruptcy Code or any bankruptcy law or similar law now or hereafter in force for the relief of debtors, shall be instituted by or against the Debtor and be allowed against the Debtor or be consented to or fail to be dismissed within 90 days of such institution.

Section 10. Remedies

If an Event of Default hereunder shall have occurred and be continuing, all of the payments hereunder shall become immediately due and payable, without notice or demand, subject to Section 8 hereof, the non-recourse provisions of this Note and Security Agreement, and Sections 11 and 13 hereof, and it shall be then lawful for and, Debtor hereby authorizes and empowers Secured Party, with the aid and assistance of any persons; (i) to enter upon the premises, or such other place as the Equipment may be found and take possession of and carry away the Equipment as permitted by applicable law, at any time or times, dispose of same and apply the proceeds thereof to the balance hereof or any other obligations arising hereunder, all to the extent permitted by and in accordance with law and the terms and conditions of the Lease, (ii) to file any claim or take any other action or proceeding in any court of law or equity for the purpose of collecting any and all monies due under the Lease, (iii) upon the occurrence and continuance of a default by Lessee, to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral, to effect any repairs or any insurance

called for by the terms of this Note and Security Agreement or the Lease and to pay all or any part of the premiums therefor and the costs thereof, and (iv) upon the occurrence and continuance of any event of default under the terms of the Lease (A) to receive payment of and receipt for any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (B) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of the Collateral; (C) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Secured Party may deem appropriate.

All rights, remedies and options conferred upon Secured Party hereunder or by law shall be cumulative and may be exercised successively or concurrently and are not alternative or exclusive of any other such rights, remedies or options. No express or implied waiver by the Secured Party of any default or Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent default or event of default. The failure or delay of the Secured Party in exercising any rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies and any single or partial exercise of any particular right by the Secured Party shall not exhaust the same or constitute a waiver of any other right provided herein.

Section 11. Right to Cure

Anything herein to the contrary notwithstanding, in the case of any default occurring hereunder due to the occurrence of an Event of Default under the Lease, Secured Party shall not, without the prior written consent of Debtor, exercise any remedy or remedies provided herein or in the Lease in respect thereof during the ten (10) day period next following notice to Debtor by Secured Party of such Event of Default. During such period, Debtor shall have the right to cure, on behalf of Lessee, such Event of Default under the Lease. Each separate Event of Default occurring subsequent to such an Event of Default which was theretofore cured by Debtor shall be subject to the period during which Secured Party may not exercise its remedies as herein above provided.

No party exercising any such right to cure shall obtain any lien, charge or encumbrance of any kind upon any Equipment or any rentals or other amounts payable therefor under the Lease in respect of any sums paid in connection with the exercise of such right or the curing of such Event of Default, nor shall any claims of such party against Lessee for the repayment of such sums so advanced impair the prior right of Secured Party to the sums payable by Lessee under the Lease; provided however, that if no default hereunder shall then have

occurred and be continuing and if all obligations then due and owing shall have been made, at the time of receipt by Secured Party from Lessee of an overdue installment of rent in respect of which Debtor shall have made payment to Secured Party pursuant to this paragraph and/or any interest payable by Lessee in respect of the late payment thereof, such installment or other sum and interest thereon shall be released to Debtor.

Section 12. Successors and Assigns

This Note and Security Agreement shall inure to the benefit of the successors and assigns of Secured Party.

Section 13. Rights Under Lease

Notwithstanding any of the provisions of this Agreement to the contrary, neither Debtor nor Secured Party shall take any action contrary to the rights of the Lessee under the Lease except in accordance with the provisions of the Lease.

Section 14. Miscellaneous

Any monies coming into the possession of Secured Party hereunder, whether paid by Debtor or the Lessee or derived from insurance or the proceeds of any sale of the Collateral, shall be applied in whole or in part to the obligations of Debtor subject to the terms and conditions of the Lease and Debtor's right to specify any such application is hereby waived except as provided in Section 11 hereof. If any monies at any time are payable to Debtor hereunder, the same shall be deposited as Debtor or Debtor's transferee or assignee may direct.

This Note and Security Agreement may not be amended, waived, or discharged, except by an agreement in writing signed by the party against which or whom enforcement of the amendment, waiver, or discharge is sought. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any provision of this Note and Security Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. Time and exactitude are of the essence hereof.

Secured Party may at any time assign to a subsidiary or affiliate all or any portion of this Note and Security Agreement, without notice to Debtor, or to an unrelated third party upon notice to Debtor. Debtor may not assign the Note and Security Agreement, except to an affiliate or to a corporation into which Debtor is merged or with which it is consolidated,

without prior written notice to Secured Party. Upon full payment of the sums due hereunder and the satisfaction of all obligations of the Debtor hereunder, the Secured Party shall upon Debtor's request execute termination statements for all outstanding filed financing statements relating to its security interest. This Note and Security Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. It is the intention of the parties that the provisions of this Note and Security Agreement shall be governed by the laws of the Commonwealth of Kentucky.

The term Debtor shall be deemed to include successors and assigns of Debtor, including, but not limited to, any corporation into which Debtor is merged or with which it is consolidated.

All notices to be made hereunder shall be in writing and (a) if to Debtor, addressed to it at One Centerpointe Drive, Suite 200, Lake Oswego, Oregon 97034 and (b) if to Secured Party, addressed to it at P. O. Box 36000, Louisville, Kentucky 40233; Attention: Leasing Industry Financing. Either party hereto may change the address to which notice to such party shall be sent by giving notice of such change to the other party to this Note and Security Agreement.

Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Note and Security Agreement. The words "herein", "hereof", "hereby", "hereto", "hereunder", and words of similar import refer to this Note and Security Agreement as a whole and not to any particular section, subsection, paragraph, clause or other subdivision hereof.

The principal place of business of the Debtor is One Centerpointe Drive, Suite 200, Lake Oswego, Oregon 97034 and the Debtor shall notify the Secured Party and execute additional financing statements, to be filed at Debtor's expense, should such address change.

GREENBRIER LEASING CORPORATION

By: Norriss M. Webb

Name: Norriss M. Webb

Title: Vice President

FIRST NATIONAL BANK OF LOUISVILLE

By: Rex L. Swauber

Name: REX L. SWAUBER

Title: V.P.

37CON/260

STATE OF OREGON)
) SS.
COUNTY OF CLACKAMAS)

On this 30th day of July, 1986, before me, the undersigned officer, personally appeared Norriss M. Webb, who acknowledged himself to be the Vice President and General Counsel of Greenbrier Leasing Corporation, a Delaware corporation and that he, as such Vice President and General Counsel, being authorized to so do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Vice President and General Counsel.

IN WITNESS WHEREOF, I hereunto set my hand and official Seal.

My commission expires 5-28-90

Janet E Hudson

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

On this 4th day of August, 1986, before me, the undersigned officer, personally appeared Ruth L. Swanger, who acknowledged himself to be a Vice President of First National Bank of Louisville, a national banking association, and that he, as such Vice President, being authorized to so do, executed the foregoing instrument for purposes therein contained, by signing the name of the corporation by himself as Vice President.

IN WITNESS WHEREOF, I hereunto set my hand and official Seal.

Julia M. Jones

Notary Public, State at Large, KY
My commission expires Mar. 1, 1987

N7302.5

EXHIBIT "A"

Attached to and made a part of the Non-Recourse Note and Security Agreement dated August 1, 1986 between Greenbrier Leasing Corporation as Debtor and First National Bank of Louisville as Secured Party.

Description of Equipment

Number of Cars	Description	Identifying Marks and Numbers
43	General Service Flatcars, 53' 6" Inside Deck Length equipped with 70-ton Roller Bearing Trucks and 10" Freightmaster EOC Units	Within the range SP 700000 and SP 700042

N7302.4