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

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

OF COUNSEL
JESS LARSON
JOHN L. INGOLDSBY
URBAN A. LESTER

CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
393-2266

TELEX
440367 A AND A


RECORDATION NO. 15166 Filed & Recorded
FEB 9 1987 2 35 PM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 15166 Filed & Recorded
FEB 9 1987 2 35 PM
INTERSTATE COMMERCE COMMISSION

February 9, 1987

7-040A112

No.
Date FEB 09 1987
Fee $ 20.00
ICC Washington, D.C.

ICC OFFICE OF THE SECRETARY
FEB 9 2 49 PM '87
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. §11303(a) are 1) six (6) counterparts of a Loan and Security Agreement dated as of February 5, 1987, a primary document, and 2) three (3) counterparts of a Collateral Assignment of Loan and Security Agreement dated as of February 9, 1987, a secondary document.

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

| | |
|---|---|
| Debtor: | Greenbrier Leasing Corporation<br>One Centerpointe Drive, Suite 200<br>Lake Oswego, Oregon 97034 |
| Secured Party/ Assignor: | California Group Services<br>One Walnut Creek Center<br>100 Pringle Avenue, Suite 225<br>Walnut Creek, California 94596 |
| Assignee: | American National Bank and Trust Company of Chicago<br>33 North LaSalle Street<br>Chicago, Illinois 60690 |

Also enclosed is a check in the amount of $20 payable to the order of the Interstate Commerce Commission covering the required recordation fees.

Charles T. Kappler

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

> Twenty (20) five-unit well type intermodal container cars manufactured by Gunderson, Inc. of Portland, Oregon and bearing reporting marks and numbers GBRX 6800 through GBRX 6812, inclusive, and GBRX 2020 through GBRX 2026, inclusive.

Kindly return stamped copies of the enclosed documents to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

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

> Loan and Security Agreement dated as of February 5, 1987 between Greenbrier Leasing Corporation, Debtor, and California Group Services, Secured Party; and *Collateral Assignment of Loan and Security Agreement* dated as of February 9, 1987 from California Group Services, Assignor, to American National Bank and Trust Company of Chicago, Assignee, covering twenty (20) intermodal container cars marked GBRX 6800 - GBRX 6812 and GBRX 2020 - GBRX 2026.

Very truly yours,

Charles T. Kappler

Enclosures

ICC Copy

RECORDATION NO. 15166 Filed & Recorded

FEB 9 1987 2-55 PM

INTERSTATE COMMERCE COMMISSION

COLLATERAL ASSIGNMENT
OF
LOAN AND SECURITY AGREEMENT

THIS COLLATERAL ASSIGNMENT OF LOAN AND SECURITY AGREEMENT, dated as of February 9, 1987 (the "Assignment"), is executed by California Group Services, a California corporation (the "Borrower"), in favor of American National Bank and Trust Company of Chicago (the "Bank"), pursuant to the terms of that certain Loan and Security Agreement dated as of September 30, 1986 (the "Loan Agreement"), between the Borrower and the Bank, and to secure the performance of the Borrower's obligations under the Loan Agreement (the "Obligations"), subject to the terms of which Loan Agreement this Assignment is delivered.

Recitals

Greenbrier Leasing Corporation, a Delaware corporation ("Greenbrier"), has entered into a Loan and Security Agreement with Borrower, dated as of February 5, 1987 (and filed with the Interstate Commerce Commission in Washington, D.C. contemporaneously herewith), whereby Greenbrier has granted a security interest in certain equipment and other collateral described therein ("Security Agreement") to secure Greenbrier's

"Note"). Copies of the Security Agreement and the Note are attached hereto and are incorporated herein by this reference. Unless otherwise specified, capitalized terms used herein shall have the respective meanings set forth in the Security Agreement.

NOW, THEREFORE, in consideration of the premises, the parties agree as follows:

Section 1. Collateral Assignment of Security Agreement. In order to secure the prompt and faithful performance and observance of the Obligations of the Borrower and in consideration of the loans made to the Borrower by the Bank pursuant to the Loan Agreement, Borrower does hereby assign, transfer, pledge, and set over to the Bank and grant the Bank a security interest in all of Borrower's interest and title in, and rights with respect to, the Note, the Security Agreement, the Collateral secured thereby, and all monies due or to become due thereunder. In addition to the foregoing, Borrower shall, concurrent with the execution of this Assignment, endorse the Note over to the Bank and deliver the Note to the Bank.

Section 2. Representations and Warranties. The Borrower represents and warrants that it has not assigned, pledged or mortgaged, and hereby covenants that it will not assign, pledge or mortgage, so long as this Assignment shall

remain in effect, the whole or any part of the rights, title or interests hereby assigned, pledged, and granted by it hereunder to anyone other than the Bank, its successors and assigns.

Section 3. Law Governing. The terms of this assignment and all rights and obligations hereunder shall be governed by the laws of California; provided, however, that the Bank shall be entitled to all rights conferred by the filing, recording or deposit hereof in the appropriate office(s) pursuant to Section 11303 of the Interstate Commerce Act and the regulations of the Interstate Commerce Commission or in such other offices as may be appropriate in the jurisdictions in which the Equipment is operated.

IN WITNESS WHEREOF, the undersigned has caused this Assignment to be executed by its duly authorized representative as of the day and year first set forth above.

CALIFORNIA GROUP SERVICES

By: [signature]

Its: VICE PRESIDENT

State of California )
) ss.
County of San Francisco )

On this the 4th day of February 1987, before me, Constance C. Reynolds, the undersigned Notary Public, personally appeared Steven M. Pickens,
/ / personally known to me
/✓/ proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice President or on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Constance C. Reynolds
Notary's Signature

OFFICIAL SEAL
CONSTANCE C REYNOLDS
NOTARY PUBLIC - CALIFORNIA
ALAMEDA COUNTY
My comm. expires NOV 30, 1988

# LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (the "Agreement") dated as of February 5, 1987, is entered into between GREENBRIER LEASING CORPORATION, a Delaware corporation having its principal place of business at One Centerpointe Drive, Suite 200, Lake Oswego, Oregon 97034 (hereinafter called "Debtor"), and CALIFORNIA GROUP SERVICES, a California corporation having its principal place of business at One Walnut Creek Center, 100 Pringle Avenue, Suite 225, Walnut Creek, CA 94596 (hereinafter called the "Secured Party").

## Recitals:

A. Debtor has previously obtained from The Bank of California, N.A. ("BankCal"), financing for twenty intermodal container railcars more particularly described herein, which indebtedness is secured by a lien in favor of BankCal covering such railcars and leases thereof.

B. Debtor desires to obtain a refinancing loan from Secured Party, and Secured Party is willing to make such loan to Debtor upon the terms and conditions set forth herein, provided such loans and all of Debtor's obligations to Secured Party are secured to the extent provided for herein.

NOW, THEREFORE, the parties agree as follows:

1. Definitions. When used herein, the following terms shall have the following meanings:

"Collateral" means those assets now owned or hereafter acquired by Debtor described in Section 4 hereof given as collateral security for the Loan.

"Closing Date" means the date on which the Loan is advanced by Secured Party to or for the benefit of Debtor.

"Equipment" is defined in Section 4(a) hereof.

"Event of Default" is defined in Section 7.1 hereof.

"Lease" and "Lessee" are defined in Section 3 hereof.

"Loan" means the extension of credit under Section 2 hereof.

"Note" means the promissory note in the form of Exhibit A hereto and executed by Debtor to evidence the Loan.

"Permitted Liens" is defined in Section 5.6 hereof.

"Secured Obligations" means any and all indebtedness, obligations and liabilities of Debtor to Secured Party evidenced by the Note, including the Loan, and pursuant to this Agreement, whether due or to become due, whether for payment or performance, now existing or hereafter arising, and including all fees and expenses (including reasonable attorneys' fees) chargeable to Debtor or incurred by Secured Party in connection herewith.

To the extent not defined in this Section 1 or elsewhere in this Agreement, unless the context otherwise requires, all other terms in this Agreement shall have the meanings attributed to them by Division 9 of the California Commercial Code, as in effect on the Closing Date, to the extent the same are used or defined therein.

2. The Loan.

2.1 Loan Commitment. Subject to the terms and conditions of this Agreement, Secured Party agrees to advance to

Date (the "Loan").

2.2 The Note and Repayment. Debtor's obligation to repay the Loan shall be evidenced by a promissory note substantially in the form of Exhibit A hereto (the "Note").

of the monthly installment of principal and interest stated in

thereunder.

2.3 Disbursement and Use of Loan Proceeds. The proceeds of the Loan shall be used for the repayment in full of the unpaid principal balance of Debtor's indebtedness to BankCal

the Loan. Disbursement of the proceeds of the Loan to BankCal and to Secured Party as specified herein shall constitute full performance by Secured Party of its obligation hereunder to make the Loan to Debtor.

2.4 Conditions of Lending. The obligation of Secured Party to make the Loan on the Closing Date is subject to the conditions precedent that there shall have been delivered to Secured Party on or before the Closing Date, in form and substance satisfactory to Secured Party:

(a) This Agreement and the Note duly executed by Debtor;

(b) All original counterparts of the Lease theretofor in the possession of Debtor or BankCal, and evidence that the Lease and this Agreement have been filed with the Interstate Commerce Commission in conformity with 49 USC § 11303, and in such other places within the United States (including the State of Oregon) and Canada as Secured Party may reasonably request for the protection of its security interest in the Collateral created hereunder;

(c) Evidence that all liens and encumbrances on or in respect of the Collateral, including without limitation, liens in favor of BankCal, have been released and discharged;

(d) Evidence that any insurance required by this Agreement is in effect and that Secured Party's interest therein or rights thereunder are effective;

(e) The favorable written opinion of Alvord & Alvord, special Interstate Commerce Commission counsel, as to the first perfected security interest of Secured Party (or its assignee) in the Collateral, and as to such other matters as Secured Party may reasonably request;

(f) A certified copy of the resolutions of the Board of Directors of Debtor authorizing the transactions contemplated this Agreement, and the execution, delivery and performance of this Agreement, the Note and all other documents and instruments in connection herewith, together with a certificate as to the incumbency of those officers of Debtor who are to execute such documents and specimens of their signatures;

(g) A duly executed and delivered Estoppel Certificate, dated as of a date close to the Closing Date, from each Lessee, substantially in the form of Exhibit B hereto or such other form acceptable to Secured Party; and

(h) Such other documents as Secured Party may reasonably request.

3. Grant of Security Interest. To secure the prompt and full payment and performance of the Secured Obligations, Debtor hereby assigns to Secured Party, its successors and assigns, the collateral described in Section 4 below and grants to Secured Party, its successors and assigns, a security interest in and to all of Debtor's interest the collateral described in

Section 4 below (such collateral herein referred to as the "Collateral"), subject always to the rights, powers, privileges and interests of any lessee, sublessee or other use (each, a "Lessee") under one or more leases, subleases or use agreements now existing or hereafter entered into between Debtor, or an affiliate of Debtor, as lessor, and a Lessee of the Collateral, including all amendments, renewals, extensions and replacements of such leases, subleases or use agreements (individually and collectively, the "Lease").

4. Collateral. The collateral of this Security Agreement is:

(a) Twenty (20) five-unit well-type intermodal container cars manufactured by Gunderson, Inc. of Portland, Oregon, and bearing reporting marks and road numbers as follows: GBRX 6800 through 6812, inclusive, and GBRX 2020 through 2026, inclusive, together with all accessories, equipment, parts and appurtenances appertaining or attached to any thereof, whether now owned or hereafter acquired, and all substitution, renewals or replacements of and additions, improvements, accessions and accumulations to any and all thereof (collectively, the "Equipment"), except such thereof as remain the property of lessee under the Lease, together with all the proceeds, rents, issues, income, profits and avails therefrom; and

(b) all right, title, interest, claim and demands of Debtor in, to and under the Lease, including any extensions of the term of the Lease with respect to the Equipment, together with all rights, powers, privileges, options and other benefits of Debtor under the Lease, including, without limitation:

(i) the immediate and continuing right to receive and collect all rental and loss value payments, insurance proceeds, condemnation awards and other payments, tenders and security now or hereafter payable to or receivable by Debtor under the Lease pursuant thereto;

(ii) in the case of an Event of Default hereunder, the right to make all waivers and agreements and to enter into any amendments relating to the Lease or any provision thereof; and

(iii) the right to take such action upon the occurrence of an event of default under the Lease or an event which, with the lapse of time or the giving of notice, or both, would constitute an event of default under the Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Lease or by Debtor or any lessor is or may be entitled to do under the Lease; and

(c) any and all proceeds from the collateral as set forth in paragraph (a) and (b) of this Section 4, including rental proceeds, casualty and insurance proceeds;

It being the intent and purpose hereof that the assignment and transfer to Secured Party of said rights, powers, privileges, options and other benefits shall, except as herein provided, be effective and operative immediately and shall continue in full force and effect, and Secured Party shall have the right to collect and receive all rental and loss value payments and other sums for application in accordance with the provisions of the Note at all times during the period from and after the date hereof until the Secured Obligations have been fully paid and discharged.

5. Covenants and Warranties of Debtor. Debtor covenants, warrants and agrees as follows:

5.1 Further Assurances. Debtor will, upon written request from Secured Party, at its expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances reasonably necessary or proper for the better assuring, conveying, assigning, confirming and perfecting unto Secured Party its security interest in all of the Collateral, whether now owned or hereafter acquired, including, without limitation and without further request by Secured Party, deliver to Secured Party all original counterparts of all Leases, amendments thereto and extensions or renewals thereof (whether now existing or hereafter arising).

5.2 Recordation and Filing. Debtor will, at its expense and after consulting with Secured Party, cause such financing, continuation statements and similar notices as are required by applicable law to be kept, recorded and filed, at all times until the Secured Obligations have been fully discharged, in such manner and in such places within the United States and other jurisdictions as may be designated by Secured Party, including but not limited to, the Interstate Commerce Commission and the State of Oregon, in order to preserve and protect the rights of Secured Party hereunder (including, without limitation, the perfection and priority of the security interest of Secured Party herein granted).

5.3 Actions of Debtor in Respect of Each Lease.

(a) Debtor will perform and observe all covenants and agreements on Debtor's part to be performed and observed under the Lease, and will notify Secured Party of any default or potential default under any Lease, and of any claimed defense, offset or counterclaim of any Lessee promptly after becoming aware of the same; and enforce each Lease in accordance with its terms;

(b) Debtor will not mortgage, pledge or hypothecate (other than to Secured Party hereunder) its interest in the Collateral or in any amount to be received by it from the use or disposition of the Collateral; will not sell, assign or otherwise transfer its interest in the Collateral except as permitted by the Secured Party in writing; will not receive or collect any rents prior to the date for payment thereof provided in the Lease; and will not take, suffer or omit any action (including the amendment of any Lease or the waiver or extension of any rent thereunder) for the purpose or with the effect of impairing the security interest granted, or the assignment made, to Secured Party hereunder, or otherwise adversely affecting the Collateral; and

(c) Debtor will pay, or satisfy and discharge, all liens, charges, encumbrances, security interests or claims (other than Permitted Liens) (i) created by, through or under Debtor which, if unpaid, will constitute or become a lien or charge upon the Collateral, or any part thereof, or (ii) which may be levied against or imposed upon any unit of Equipment as a result of the failure of Debtor to perform any of its covenants or agreements hereunder or under the Note, which, if allowed to remain, would affect or endanger the Secured Party's rights therein. Debtor shall not be required to pay or discharge any such claims so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not affect or endanger the Secured Party's rights in the Equipment.

5.4 Subordination of Debtor's Interests. All right, title and interest of the Debtor into the Collateral and the payments with respect thereto are and shall be subject and subordinate to all the right, title and interest of the Secured Party therein.

5.5 Action With Respect to Collateral. Debtor shall not 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 shall not be unreasonably withheld.

5.6 Liens, Etc. Debtor is the owner of the Collateral and shall 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 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 discharges the lien on or before the date a penalty attaches for nonpayment of such tax; provided, further, the following liens, mortgages, pledges, charges, security interests and other encumbrances ("Permitted Liens") may remain on the Collateral in excess of said 45-day period:

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

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

(c) Liens existing at the date hereof or of which the Secured Party has knowledge of and has consented to in writing;

(d) The following, if the validity or the 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 business:

(i) Claims or liens for taxes, assessments or charges due and payable and subject to interest or penalties;

(ii) Claims, liens or encumbrances upon the Collateral including any attachment of the Collateral or other legal process prior to adjudication of the dispute on the merit;

(iii) Claims or liens of mechanics, materialmen, warehousemen, carriers or other like liens; and

(iv) Adverse judgments on appeal.

5.7 Condition of Equipment. Debtor shall cause the Equipment to be kept in good repair and in operating condition without any cost or liability to Secured Party.

5.8 Accessions. All accessions which are or will become attached to or part of the Equipment are and shall become subject to the terms of this Security Agreement.

5.9 Sale, Etc. of Collateral. Debtor shall not sell, assign, transfer, mortgage or in any way encumber the Collateral, nor secrete or abandon the Equipment without the prior written consent of the Secured Party.

5.10 Access. Debtor shall allow Secured Party and its representatives free access and right of inspection of the Equipment at all reasonable times, or shall cause the Lessee to grant such access, and in the event of loss or damage to the Equipment, shall send written notification thereof to the Secured Party.

5.11 Records. Debtor shall not remove its records 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.

5.12 Fixtures. Debtors shall not permit the Equipment to become fixtures under applicable law.

5.13 Insurance. Debtor shall keep or cause the Lessee to keep the Equipment insured against public liability, casualty and loss from fire, theft or other cause, by insurers in form, amount and coverage customary for such Equipment and the business in which it is used, and any such policy or policies of insurance shall contain an endorsement naming Secured Party as additional insured and additional loss payees and shall provide that such insurance may not be cancelled or amended except on 30 days' prior written notification to Secured Party and further providing that Secured Party shall not be liable for payment by way of a setoff for premiums for any breach of any representations or warranties of Debtor in connection with obtaining any such insurance.

5.14 Payment of Taxes. Debtor shall 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.

5.15 Performance by Secured Party. If Debtor shall fail to perform any of Debtor's covenants contained in this Section 5, Secured Party may make advances to perform and observe the same in its behalf (giving notice thereof to Debtor prior to or concurrently with the making of any such advance), but shall be under no obligation so to do; and all sums so advanced shall be forthwith repaid by Debtor, and shall bear interest (to the extent lawful) at the rate of 18% per annum until paid, and any such sums advances shall constitute part of the Secured Obligations; but no such advance shall be deemed to relieve Debtor from any default hereunder.

6. Possession of Equipment. So long as no Event of Default shall have occurred and be continuing hereunder, Debtor shall be permitted to remain in full possession, enjoyment and control of the Equipment and each unit thereof and to manage, operate and use the same with the rights and franchises appertaining thereto; provided always that the possession enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of the terms of this Security Agreement. It is expressly agreed that the use and possession of the Equipment by Lessee from Debtor under and in

accordance with a Lease and the performance by Debtor of its obligations under such Lease, shall not constitute a violation of this Section 6.

7. Defaults and Related Provisions.

7.1 Event of Default. The occurrence of any one or more of the following events or conditions shall constitute an "Event of Default" hereunder:

(a) Debtor shall fail to pay, when due, any part of the principal of, or interest on, the Note; or

(b) Default in the due observance or performance by Debtor of any covenant, condition or agreement to be observed or performed by Debtor under this Agreement; or

(c) Any representation or warranty made by Debtor herein, or in any report, shall prove to be false or misleading in any material respect; or

(d) Insolvency, dissolution or termination of the business of Debtor; or

(e) A petition or action for relief is filed by or against Debtor under the Federal Bankruptcy Code or under similar or other law relating to bankruptcy, insolvency, reorganization or other relief for debtors; the appointment of a receiver, trustee, custodian or liquidator for Debtor or for any substantial part of its assets; Debtor shall make a general assignment for the benefit of its creditors; or Debtor shall fail to pay its debts generally as they become due; or

(f) Debtor fails to perform under any other agreement now or hereafter existing between Debtor and Secured Party involving the borrowing of money, the purchase of property, the advance of credit or any other monetary liability of any kind, where the effect of such failure is to cause or permit Secured Party, or its assignee, as holder of such obligations to cause such obligations to become due prior to their stated maturity.

7.2 Secured Party's Rights. Debtor agrees that when an Event of Default has occurred and is continuing, Secured Party shall have the rights, options, duties and remedies of a secured party and Debtor shall have the rights and duties of a debtor under the Uniform Commercial Code in effect in each jurisdiction where by Collateral or any part thereof is located and, without limiting the foregoing, Secured Party may exercise one or more or all, and in any order, of the remedies hereinafter set forth:

(a) Secured Party, may, by notice in writing to Debtor, declare the entire unpaid principal balance of the Note and all other Secured Obligations to be immediately due and payable; and thereupon all such unpaid balance, together with all accrued and unpaid interest thereon, shall be immediately due and payable.

(b) Subject always to the then existing rights, if any, of any Lessee under a Lease, Secured Party personally, or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral or any portion thereof and for that purpose may pursue the same wherever it may be found and may enter any of the premises of Debtor and Lessee (to the extent not prohibited by the Lease) with or without notice, demand, process of law or legal procedure, and search for, take possession of, remove, keep and store the same, or use and operate, or lease the same until sold and may otherwise exercise any and all of the rights and powers of Debtor in respect thereof.

(c) Secured Party may collect and receive any and all rents, revenues and other cash and non-cash proceeds from the Collateral.

(d) Subject always to the then existing rights, if any, of any Lessee under a Lease, Secured Party may, if at any time such action may be lawful (and always subject to compliance with any mandatory legal requirements) either with or without taking possession, either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to Debtor once at least ten (10) calendar days prior to the date of such sale, and any other notice which may be required by law, if said notice is sufficient, sell and dispose of the Collateral or any part thereof at public auction(s) to the highest bidder, or at a private sale(s), in one lot as an entirety or in several lots, and either for cash or for credit and on such terms as Secured Party may determine, and at any place (whether or not it is the location of the Collateral or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales without further notice, and Secured Party or the holder or holders of the Note, or any interest therein, may bid and become the purchaser at any such sale.

(e) Secured Party may proceed to protect and enforce this Agreement and the Note by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained, or execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of one or more

custodians or receivers for the Collateral, or any part thereof, or for the enforcement of any proper legal or equitable remedy available under applicable law.

7.3 Application of Proceeds. If an Event of Default shall occur and be continuing and the Secured Party shall exercise any of the powers conferred upon it by Sections 7.1 and 7.2 hereof, all payments made by Debtor to Secured Party hereunder after such Event of Default, and the proceeds of any judgment collected hereunder from the Debtor by the Secured Party, and the proceeds of every sale by the Secured Party of any of the Collateral, together with any other sums which may then be held by the Secured party under any of the provisions hereof, shall be applied by the Secured Party to the payment in the following order of priority:

(a) First, to the payment of the costs or expenses of foreclosure or suit, if any, and of such sale, and of all costs, expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder, or in connection herewith or with the collection of the Note, by Secured Party, or by the holder or holders of the Note, and to the payment of all taxes, assessments, liens or security interests superior to the lien of these presents, except any taxes, assessments or other superior liens or security interests subject to which said sale may have been made;

(b) Second, to the payment or discharge of any unpaid Secured Obligations.

(c) Third, to the payment of the balance remaining, if any, to Debtor.

7.4 Waiver by Debtor. To the full extent permitted by law, Debtor hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Collateral, or any portion thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, except as specifically required under this Agreement.

7.5 Exercise of Rights. No delay or omission of Secured Party or the holder of the Note to exercise any right or power arising from any Event of Default shall exhaust or impair any such right or power or prevent its exercise during the continuance of such Default. No waiver by Secured Party or the holder of the Note of any such Default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided therein. The giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the Secured Obligations shall not operate to prejudice, waive or affect the security of this Agreement or any rights, powers or remedies hereunder, and

neither Secured Party nor the holder of the Note shall be required to look first to enforce or exhaust such other additional security collateral or guaranties. All rights, remedies and options of Secured Party hereunder or by law shall be cumulative.

7.6 Payment of Note prior to Sale. If Secured Party proceeds to avail itself of any of the remedies set forth in Section 7.2 hereof, then any Event of Default hereunder shall be deemed cured and not continuing if, prior to any sale by Secured Party of the Collateral pursuant to Section 7.2 hereof, Debtor shall pay or cause to be paid to the holder of the Note the entire unpaid principal balance of the Note, together with all accrued and unpaid interest thereon, and shall pay or cause to be paid to Secured Party its reasonable expenses incurred in exercising its rights pursuant to Section 7.2 hereof and any other unpaid Secured Obligations due and owing.

8. Power of Attorney. 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 Debtor or in its own name, for the purpose of carrying out the terms of this 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 Agreement, and without limiting the generality of the foregoing, Debtor hereby gives Secured Party the power and right, on behalf of 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 Secured Party's option, at any time or from time to time, all acts and things which Secured Party deems necessary to protect, preserve and realize upon the Collateral and the Secured Party's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as Debtor might do. Debtor hereby ratifies all its said attorney shall lawfully do or cause to be done by virtue thereof except for actions taken in which Secured Party is grossly negligent or which involve the willful misconduct of Secured Party. This power of attorney is a power coupled with an interest and shall be irrevocable and shall terminate only upon payment in full of all of the Secured Obligations. The powers conferred upon Secured Party hereunder are solely to protect Secured Party's interest in the Collateral and shall not impose any duty upon it to exercise 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 Debtor for any action taken or admitted to be taken in good faith or in reliance on the advice of counsel, except for Secured Party's own gross negligence or willful misconduct.

9. Miscellaneous.

9.1 Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such parties, and all the covenants, promises and agreements in this Agreement contained by or on behalf of Debtor or Secured Party shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not. Debtor may not assign or transfer its rights or obligations under this Agreement with the prior written consent of Secured Party. Secured Party may, from time to time, without notice to Debtor sell, assign or transfer (for security purposes or otherwise) all or any part of the Secured Obligations and/or the Collateral therefor; in such event each purchaser, assignee or transferee or holder of any part of the Secured Obligation and/or Collateral shall have the right to enforce this Agreement for its own benefit as fully as if such person were herein by name specifically given such rights.

9.2 Partial Invalidity. The unenforceability or invalidity of any provision(s) of this Security Agreement shall not render any other provision(s) herein contained unenforceable or invalid.

9.3 Communications. All communications provided for herein shall be writing and shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when addressed and delivered personally or when deposited in the United States mail, registered or certified, postage prepaid, and addressed as follows:

If to Debtor: Greenbrier Leasing Corporation
One Centerpointe Drive, Suite 200
Lake Oswego, Oregon 97034
Attention: General Counsel

If to Secured Party: California Group Services
One Walnut Creek Center
100 Pringle Avenue, Suite 225
P.O. Box 8012
Walnut Creek, California 94596

or as to Debtor or Secured Party at such other address as they may designate by notice duly given in accordance with this Section to the other party.

9.4 Transfer of Debtor's Interest. Debtor shall not assign, convey or otherwise transfer any of its right, title or interest as owner of the Equipment to any person, unless consented to in advance and in writing by Secured party.

9.5 Attorney's Fees. Debtor agrees to pay or reimburse Secured Party for all reasonable attorney's fees and the legal and other expenses incurred by Secured Party in enforcing its remedies hereunder after the occurrence of an Event of Default and for pursuing, searching for, receiving, taking, keeping, storing, advertising and selling the Collateral. All such expenses shall be chargeable to Debtor, become a part of the Secured Obligations and be payable out of the proceeds of the sale or other disposition of the Collateral.

9.6 Counterparts; Governing Law. This Agreement may be executed, acknowledged, and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Agreement. This Agreement and the Note shall be construed in accordance with and governed by the laws of the State of California.

IN WITNESS WHEREOF, Debtor and Secured Party have caused this Loan and Security Agreement to be executed by their officers thereunto duly authorized as of the day and year first above written.

DEBTOR:
GREENBRIER LEASING CORPORATION

By _____
Its President

SECURED PARTY:
CALIFORNIA GROUP SERVICES

By _____
Its VICE PRESIDENT

State of California )
) ss.
County of San Francisco )

On this the 4th day of February 1987, before me, Constance C. Reynolds, the undersigned Notary Public, personally appeared Steven M. Pickens,
/ / personally known to me
/X/ proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as VICE PRESIDENT or on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Constance C. Reynolds
Notary's Signature

OFFICIAL SEAL
CONSTANCE C REYNOLDS
NOTARY PUBLIC - CALIFORNIA
ALAMEDA COUNTY
My comm. expres NOV 30, 1988

State of Oregon )
) ss.
County of Clackamas )

On this the 6th day of February 1987, before me, Janet E. Hudson, the undersigned Notary Public, personally appeared William A. Surman,
/X/ personally known to me
/ / proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as President or on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Janet E. Hudson
Notary's Signature

My commission expires 5/28/90

EXHIBIT A

SECURED PROMISSORY NOTE

Walnut Creek, California
February 5, 1987

FOR VALUE RECEIVED, the undersigned unconditionally promises to pay to California Group Services, a California corporation, or order, at its offices at 100 Pringle Avenue, Walnut Creek, California, or at such other place as may be designated in writing by the holder hereof, the principal sum of

computations of interest hereunder shall be calculated for actual

The term "Prime Rate" as used herein means the minimum rate announced by Wells Fargo Bank, N.A., at its principal office in San Francisco, California, as the rate charged on 90-day unsecured commercial loans to its most creditworthy commercial borrowers.

Principal and interest under this Note shall be due and payable as follows:

(a) Subject to subparagraph (b) below, principal and

(b) The amount of the monthly installments set forth in subparagraph (a) above have been calculated based upon a schedule which would fully amortize the principal of this

installments shall be subject to increase or decrease from time to time coincident with any corresponding changes in the Prime Rate.

Any interest which is not paid when due shall thereafter bear interest like as to principal. All payments received hereunder may be applied first to the payment of accrued interest and any expenses or charges payable hereunder, and the balance only applied to principal. This Note may be prepaid in whole or in part at any time and from time to time without premium or penalty; however, all prepayments shall be applied on the most remote principal installment or installments then unpaid hereunder.

Should the undersigned fail to pay any installment or part thereof within five (5) days after the same first becomes due, the undersigned agrees to pay to the holder as a delinquency charge an amount equal to ten percent (10%) of such delinquent installment or portion thereof.

Should any attorney be employed to procure payment hereof by suit or otherwise, the undersigned agrees to pay a reasonable sum as attorneys' fees therefor, as well as any costs that are incurred in the collection of delinquent payments. The undersigned (1) waives presentment, demand and notice of nonpayment of this Note, (2) consents to any and all delays, extensions, renewals or other modifications of this Note or the release or discharge of any guarantor or endorser hereof, or release, substitution or exchange of any security for the payment hereof, or any other indulgence shown by the holder hereof from time to time, and agrees that no such action or failure to act on the part of the holder shall in any way affect or impair the obligations of the undersigned or otherwise affect any of the holder's rights under this Note or under any document or instrument evidencing any security for payment of this Note.

In the event of: (1) default in the payment of any principal and/or interest under this Note as and when due, whether at maturity or by acceleration; or (2) the occurrence of any "Event of Default" as defined in that certain Loan and Security Agreement of even date herewith by and between the undersigned and California Group Services; then, in any of the foregoing events the entire balance outstanding hereunder shall, at the option of the holder, become forthwith due and payable, without presentment, notice, protest or demand of any kind (all of which are expressly waived by the undersigned).

This Note is secured by and entitled to the benefits of the above-referenced Loan and Security Agreement, the terms of which include provisions whereby the maturity of this Note may be accelerated. This Note is delivered in and shall be construed in accordance with the internal laws of the State of California.

GREENBRIER LEASING CORPORATION

By: _____
Name: _____
Title: _____

EXHIBIT B

ESTOPPEL AGREEMENT

This ESTOPPEL AGREEMENT is made and entered into as of _____, 1987, by and between _____, a _____ corporation ("Lessee"), GREENBRIER LEASING CORPORATION, a Delaware corporation ("Lessor") and CALIFORNIA GROUP SERVICES, a California corporation ("Lender").

R E C I T A L S:

A. Pursuant to Railroad Equipment Lease Agreement attached as Exhibit A hereto (the "Lease"), Lessor has leased to the Lessee the railroad equipment identified in the Lease (the "Equipment").

B. Lessor proposes to enter into a Loan and Security Agreement (the "Loan Agreement") with Lender secured by, inter alia, Lessor's assignment to Lender of all right, title and interest of Lessor in the Lease, all payments now or hereafter due under the Lease and the Equipment. As a necessary condition and inducement to Lender to enter into such Loan Agreement, Lender has requested Lessee to enter into this Estoppel Agreement.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, Lessee represents, warrants, covenants and agrees as follows:

1. The Lease.

(a) A true and correct copy of the Lease is attached hereto as Exhibit A.

(b) There have been no amendments, modifications, waivers or releases under, or any other revision affecting the rights or obligations of any party to, the Lease.

2. Assignment. Lessee hereby consents to and acknowledges assignment of the Lease by Lessor to Lender. Lessee acknowledges and agrees (a) that its rights under the Lease shall be subject and subordinate to the rights of Lender, provided, however, that Lessee shall have the right of quiet enjoyment of the Equipment in accordance with the terms of the Lease; (b) that it shall permit Lender to enjoy all the rights and powers of Lessor under the Lease; (c) that, notwithstanding Lender's interest in the Lease or any provisions of this Agreement, Lender shall not be liable or accountable for any of the obligations of Lessor under the Lease (which obligations are independent of Lessee's obligations to make payment of amounts due under the

Lease), as to all of which Lessee will look to Lessor; (d) that the obligation of Lessee to make such payments (whether to Lender or Lessor) and return the Equipment shall be absolute and unconditional under any and all circumstances, regardless of any right of abatement, recoupment, set-off, counterclaim, defense, suspension, deferment, diminution, reduction or any other right of Lessee or the lack of or any conflicting notice from Lessor (provided, however, that nothing herein contained shall limit Lessee's right to otherwise claim damages from Lessor and provided, further, that Lessee shall be entitled to exercise all available remedies against Lender, as successor in interest to Lessor under the Lease after a foreclosure, if Lender shall interfere with Lessee's right of quiet enjoyment of the Equipment as provided in the Lease).

3. No Prepayment. Lessee acknowledges that it has not prepaid, and agrees that it shall not prepay, any amounts due under the Lease other than to Lender.

4. Insurance. Lessee represents and warrants that, if required by the Lease, Lessee has obtained and shall maintain insurance on the Equipment strictly in accordance with the terms and provisions of the Lease.

5. Location of Equipment. Lessee warrants to Lender that the Equipment shall be used only in the jurisdictions in which such use is permitted under the Lease or, if fewer, it shall be used only in the United States. Upon expiration or earlier termination of the Lease, Lessee shall cause the Equipment to be returned in accordance with the Lease to a location within the continental United States acceptable to Lessor.

6. Counterparts. This Estoppel Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed

shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Estoppel Agreement to be duly executed as of the date first above written.

LESSEE:

_____
By: _____
Title: _____

Address for Notices:

_____
_____
_____
_____

LESSOR:

GREENBRIER LEASING CORPORATION
By: _____
Title: _____

Address for Notices:
One Centrepointe Drive, Suite 200
Lake Oswego, Oregon 97034

LENDER:

CALIFORNIA GROUP SERVICES
By: _____
Title: _____

Address for Notices:
One Walnut Creek Center
100 Pringle Avenue, Suite 225
Walnut Creek, CA 94596