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RECORDATION NO. _____ FILED 1425

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INTERSTATE COMMERCE COMMISSION

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

ALVORD AND ALVORD
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OF COUNSEL
URBAN A. LESTER

January 12, 1995

RECORDATION NO. **19175** FILED 1425

JAN 12 1995 -11 50 AM

INTERSTATE COMMERCE COMMISSION

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
Washington, D.C. 20423



Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are three (3) copies of a Loan, Mortgage and Security Agreement, dated as of January ~~12~~ 1995, a primary document, and the following two secondary documents related thereto: a Memorandum of Lease Agreement, dated March 4, 1994 and a second Memorandum of Lease Agreement, dated March 4, 1994.

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

Loan, Mortgage and Security Agreement

Debtor: James-Furman & Company
One Centerpointe Drive, Suite 200
Lake Oswego, Oregon 97034

Secured Party: Key Bank of Oregon
1211 S.W. 5th Avenue, Suite 300
Portland, Oregon 97204

Mr. Vernon A. Williams
January 12, 1995
Page 2

Memorandum of Lease (2)

Lessor: Greenbrier Railcar, Inc.
One Centerpointe Drive, Suite 200
Lake Oswego, Oregon 97034

Lessee: Soo Line Railroad Company
The Soo Line Building
Minneapolis, Minnesota 55440

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

387 autorack railcars and 163 autoracks as set forth on Schedule I to the Security Agreement.

Also enclosed is a check in the amount of ^{\$63.00}~~\$42.00~~ payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return two stamped copies of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures



Interstate Commerce Commission
Washington, D.C. 20423-0001

Office Of The Secretary

JANUARY 12, 1995

ROBERT W. ALVORD
ALVORD & ALVORD
918 16TH ST., NW SUITE 200
WASHINGTON DC 20006-2973

Dear MR. ALVORD:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/12/95 at 11:30AM , and assigned recordation number(s). 19175, 19175-A, 19175-B

Sincerely yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$ 63.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



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INTERSTATE COMMERCE COMMISSION

LOAN, MORTGAGE AND SECURITY AGREEMENT

THIS LOAN, MORTGAGE AND SECURITY AGREEMENT ("Security Agreement"), dated as of January 9, 1995, between James-Furman & Company, a Partnership ("Borrower") and composed of Alan James and William A. Furman ("Partners") having an address at One Centerpointe Drive, Suite 200, Lake Oswego, Oregon 97034 and KEY BANK OF OREGON, having a place of business at 1211 S.W. 5th Avenue, Suite 300, Portland, Oregon 97204 ("Key").

WITNESSETH:

WHEREAS, the Borrower has entered into a Promissory Note (the "Note") dated January 9, 1995 in favor of Key; and

WHEREAS, as security for the Borrowers' prompt and faithful performance of Borrower's obligations and duties under the Note, the Borrower agrees to assign to Key, and grant to Key a security interest in and a lien on, certain property herein specified,

NOW THEREFORE, in consideration of the aforesaid premises and the mutual terms and covenants herein contained, the parties hereto agree as follows:

ARTICLE 1. TERMS OF PAYMENT.

In conjunction with this Security Agreement, the Borrower has executed the Note in which the Borrower agrees to pay to the order of Key or its assignees the principal amount set forth therein under the terms of payment which are set forth in the Note and are incorporated herein by reference.

ARTICLE 2. THE COLLATERAL.

To secure all obligations of the Borrower to Key now existing or hereafter arising or incurred (i) under the Note as the Note may be amended or extended from time to time or under any Note issued in substitution or replacement thereof, or (ii) this Agreement, hereunder (collectively the "Obligations"), the Borrower hereby assigns to Key all of Borrower rights, title and interests in, whether now existing or hereafter arising, and grant to Key a lien on and security interest in:

2.01 all railcars, autoracks and goods listed on Schedule 1 hereto, all railcars, autoracks and goods listed on any Supplements to Security Agreement (in the form attached hereto as Exhibit A "Supplement") from time to time delivered to Key in connection herewith, and all improvements, replacements, substitutions, accessories and additions thereto, whether in the possession of the Borrower, warehousemen, bailee or any other person and whether located at the places of business of Borrower or elsewhere (the "Vehicles and Racks");

2.02 any and all leases listed on Schedule 2 attached hereto, all leases listed on any Supplements to Security Agreement from time to time delivered to Key in connections herewith, and all leases and agreements to lease, now or hereafter in effect and relating in any way to the Vehicles and Racks (the "Leases") and all rents, accounts and other rights to payments arising under the Leases ("Rents");

2.03 all accounts, contracts, contract rights, documents, instruments, general intangibles, chattel paper, and all ledger sheets, files and other documents relating to the property described in Articles 2.01 and 2.02; and

2.04 all proceeds of the sale, collection, exchange or other disposition of the property described in Articles 2.01 through 2.03 whether voluntary or involuntary, including, but not limited to, returned premiums, insurance proceeds, and all rights to payment with respect to any cause of action affecting or relating to such property (collectively the "Proceeds").

2.05 In the event any Vehicle or Rack is lost, destroyed, irrevocably damaged or condemned, requisitioned, confiscated or otherwise taken by any governmental body or stolen and not recovered by the Borrower within 10 days herein collectively "Lost", and such Vehicle or Rack shall not have been repaired to the condition required to be maintained pursuant to Article 5.12(k) hereof or replaced by a vehicle or rack meeting the requirements of Article 5.09 (a "replacement Vehicle or Rack"), the Borrower shall prepay the Note in any amount equal to the Loan Value (Loan Value is defined as 80% of the "casualty loss value" as described in each of the leases) of the Vehicle or Rack that is lost or destroyed. Such payment shall be made promptly upon receipt of any insurance or other cash proceeds of such Vehicle or Rack and in any event within 120 days after such loss or destruction; provided, however, that if such Vehicle or Rack is repaired to the condition required by Article 5.12(k) hereof or replaced by a replacement Vehicle or Rack prior to the earlier of the receipt of insurance or other cash proceeds or the date 90 days after such loss or destruction, no such payment need be made.

2.06 The Borrower may from time to time sell any Vehicle notwithstanding the existence of Key's security interest therein, provided that simultaneously with such sale the Borrower shall either (a) prepay the Note in an amount equal to the Loan Value of the Vehicle sold, (b) replace the Vehicle sold with a Vehicle meeting the requirements of Article 5.10, or (c) notify Key in writing of its intention to replace the Vehicle sold with a Vehicle meeting the requirements of 5.10 and immediately deposit with Key an amount equal to the Loan Value of the Vehicle sold. Any amount deposited by the Borrower pursuant to clause (c) of the preceding sentence shall be held by Key in a money market insured savings account (if such an account is available with respect to a deposit of such size and duration, but if a money market insured savings account is not available, then such deposit shall be held in a demand deposit account) until the replacement Vehicle is acquired, at which time the amount on deposit in such account shall be paid to the Borrower; provided, however, that

if the replacement Vehicle is not acquired within 60 days after such sale, Key may, in its discretion, apply the amount on deposit in such account to the prepayment of the Note. Upon any sale of a Vehicle as permitted by this Article 2.06, Key shall, at the Borrower's request and the Borrower's expense, provide the Borrower with any necessary or appropriate releases and terminations of Key's security interest in such Vehicle.

All of the foregoing are hereinafter referred to collectively as the "Collateral".

ARTICLE 3. REPRESENTATIONS AND WARRANTIES.

In order to induce Key to enter into this Security Agreement and the Note, the Borrower makes the following representations and warranties which shall survive the execution and delivery of this Security Agreement and Note:

3.01 This Security Agreement has been executed and delivered by the Borrower and constitutes, and the Note when executed and delivered will constitute, a legal, valid and binding obligation of the Borrower, enforceable against Borrower in accordance with its terms, except as (i) the enforceability thereof may be affected by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and (ii) the availability of certain equitable remedies may be limited by certain equitable principles of general applicability.

3.02 The execution and delivery of this Security Agreement and the Note will not violate any provision of law or regulation applicable to the Borrower, or result in the breach of, constitute a default under, contravene any provisions of, or result in the creation of any security interest, lien, charge or encumbrance upon any of the property or assets of the Borrower pursuant to, any indenture or agreement to which the Borrower or any of their property is bound.

3.03 Except as otherwise disclosed to Key in writing, there is no litigation, investigation or proceeding in any court or before any arbitrator or regulatory commission, board, administrative agency or other governmental authority pending or, to the knowledge of the Borrower, threatened, against or affecting the Borrower which (i) may effect the performance by the Borrower of this Security Agreement or the Note or any of the transactions contemplated hereby or thereby, or (ii) if adversely determined would have a material adverse effect on the financial condition of the Borrower.

3.04 Except such as have been previously obtained and copies of which have been delivered to Key, no consent, license, permit, approval or authorization of, exemption by, notice to report to, or registration filing or declaration with, any governmental authority or agency is required in connection with the execution, delivery, or performance by the Borrower of this Security Agreement or the Note, or the transactions contemplated hereby or thereby.

3.05 All financial information relating to the Borrower which has been heretofore delivered to Key is true, complete and correct and fairly presents the financial condition of the Borrower. Any financial statements presented to Key have been prepared in accordance with generally accepted accounting principles. There has been no material adverse change in the financial condition of the Borrower since the date of any such financial statements. The Borrower has no material liabilities, direct or contingent, except as disclosed in such financial statements or as disclosed in such financial statements or as disclosed by the borrower in writing to Key.

3.06 The proceeds of the Note shall be used by the Borrower to acquire the Vehicles and Racks and the current Leases which constitute the Collateral.

3.07 As of the disbursement to Borrower of the proceeds under the Note, the security interests created hereunder will have been duly created and perfected with a first priority lien in favor of Key.

3.08 The Borrower is not in default under any material term of any agreement relating to any obligation for borrowed money, or lease obligations.

3.09 The Borrower has the right to grant a security interest in the Collateral.

3.10 The Borrower is the owner and has good and marketable title to the Vehicles and Racks listed on Schedule 1 and each Lease listed on Schedule 2 free and clear of all liens and encumbrances, except (i) the security interest created hereby, and (ii) the leasehold interests of the lessee under any such Lease.

3.11 Each Vehicle and Rack listed on Schedule 1 is in the condition required by Article 5.12(j) and (k) hereof.

3.12 Each Lease listed on Schedule 2 is the valid and binding obligation of the lessee thereunder, not subject as of the date hereof to any claim, offset or defense, and no event of default or event which with notice or lapse of time (or both) would become an event of default has occurred under any of the leases.

ARTICLE 4. CONDITIONS TO KEY'S OBLIGATION TO FUND UNDER THE NOTE

The obligation of Key to fund the Note is subject to the following conditions:

4.01 Key shall have received the Note properly executed and delivered by the Borrower.

4.02 Key shall have received the personal guaranty of the Partners and their respective spouse (each, a "Guarantor") of the Borrower (the "Guaranty"), dated as of even date hereof and executed and delivered by such Guarantor. A copy of the form or Guarantantee is attached as Exhibit "B".

4.03 Key shall have received from the Borrower the original executed Leases.

4.04 If the Vehicles and Racks are covered by certificates of title, Key Shall have received such certificates of title wherein Key shall be noted as secured party or, if any such certificate is not available, a copy of the application therefor (requesting that Key be noted as secured party).

4.05 Key shall have received certificates or policies evidencing the existence of insurance on and with respect to the Vehicles and Racks of the types and amounts customarily carried by companies similarly situated and in amounts reasonably satisfactory to Key; provided, that the Borrower shall maintain (or cause to be maintained) casualty insurance on the Vehicles and Racks in an aggregate amount not less than the outstanding principal balance of the Note. All such insurance shall name Key as an additional insured; a copy of the endorsement shall be supplied to Key and all insurance against loss of or damage to the Vehicles and Racks shall contain a lender's loss payable endorsement in favor of Key; and all such insurance shall contain a provision precluding cancellation or change unless the insured endeavors to give Key at least 30 days' prior written notice.

4.06 Key shall have received evidence of the filing and recordation of this Security Agreement with the Interstate Commerce Commission under 49 U.S.C. Sect. 11303 and 49 CFR Part 1177 and with the Registrar General of Canada.

4.07 Key shall have received evidence satisfactory to it that any security interest in the collateral of any lender or other party has been terminated upon such party's receipt of all or its allocable share of the loan proceeds.

4.08 Key shall have received a certificate of acceptance from Soo Line Railroad Company to support the requested advance for specific vehicles.

4.09 Key shall have received, in form and substance satisfactory to it, a written opinion of counsel or opinions as to the perfection and priority of Key's security interest in the Collateral financed with the proceeds of the loan.

ARTICLE 5. BORROWER'S COVENANTS

The Borrower covenants and agrees that, unless Key shall otherwise consent in writing, until the payment in full of the Note and fulfillment of all of Borrower's obligations hereunder, the Borrower shall comply with the following covenants:

5.01 The Borrower shall maintain adequate records and accounts concerning the Collateral and permit any representative of Key at any reasonable time upon reasonable notice, to inspect, audit, examine and copy any such records maintained by the Borrower and to examine any Vehicle and Rack financed hereunder in the possession of the Borrower or any lessee, and to discuss such records and accounts and the Collateral generally with those persons best acquainted therewith.

5.02 The Borrower will use the proceeds of the Loan only for the purposes described in Section 3.06.

5.03 The Borrower will furnish or cause to be furnished to Key such additional financial information relating to the Borrower and each Guarantor as Key may, from time to time, request.

5.04 The Borrower shall maintain and keep or cause to be maintained and kept in force insurance required by Section 4.06.

5.05 The Borrower shall pay and discharge any and all liens, taxes, fees, charges, claims, demands or expenses levied, assessed or imposed on the Collateral; provided, however, that nothing herein contained shall be deemed to require any lien, tax, fee, charge, claim, demand or expense to be paid or discharged prior to the due date thereof, or so long as the validity thereof is being contested by the Borrower in good faith by appropriate proceedings, if the Borrower shall have set aside adequate reserves with respect thereto and shall cause the same to be paid prior to the foreclosure of any lien which may have attached as security therefor. The Borrower will give Key notice of any attachment or judicial process affecting any collateral as soon as Borrower has knowledge thereof.

5.06 The Borrower shall promptly give notice in writing to Key, as soon as Borrower obtains knowledge thereof, of (i) the occurrence of any Event of Default under this Security Agreement or any condition act or event which with the giving of notice or lapse of time, or both, would constitute such Event of Default, and (ii) any loss, destruction, condemnation or requisition of any Vehicle or Rack financed hereunder or of any damage to any Vehicle or Rack requiring repairs in excess of an amount equal to thirty percent (30%) of the Cost of such Vehicle or Rack.

5.07 Borrower shall notify Key thirty days in advance of any change of Borrower's address.

5.08 The Borrower shall defend and indemnify and hold Key harmless against and from any and all claims, demands, actions, expenses, penalties and liabilities (including, without limitation, reasonable attorneys' fees and legal expenses) of whatsoever nature (i) made by any lessee of any Vehicle or Rack or third party, or (ii) arising out of or resulting from the use, misuse, storage, maintenance, damage to, control or alteration of any Vehicle or Rack by Borrower or any lessee of any Vehicle or Rack, or by any agents or employees of the Borrower or any third party. The obligations of the Borrower under this Article shall survive the termination of this Security Agreement.

5.09 The Borrower shall not offer a vehicle or rack as a replacement Vehicle or Rack for a Vehicle or Rack Lost, condemned, etc., under Article 2.05 unless (a) such replacement Vehicle or Rack was acquired at a cost equal to at least the fair market value of the Vehicle or Rack it replaces, as stipulated in paragraph 2.05 and (b) Key provides its prior written consent to such replacement Vehicle or Rack and is granted a first priority security interest in such replacement Vehicle or Rack pursuant to Article 4 hereof.

5.10 Unless Key shall otherwise consent (which consent shall not be unreasonably withheld), all Leases (as defined herein) shall be made upon terms which do not vary or deviate substantially from the provisions of the current Leases.

5.11 The Borrower shall cause each lessee under each Lease to acknowledge in writing to Key the existence of The Note and this Security Agreement and the security interest granted hereby to Key in the Vehicles and Racks and the Leases.

5.12 That with respect to the security Borrower shall:

(a) not sell, discount or factor any or all of the Collateral, except as otherwise permitted in section 2.06 of this agreement

(b) not create, permit or suffer to exist any lien, security interest, claim or right in or to any of the Collateral, except (i) the security interest granted hereunder, (ii) the leasehold interest of lessees under the Leases, and (iii) mechanics', carriers', workmen's, tax and other like liens arising in the ordinary course of business which are not overdue arising in the ordinary course of business which are not overdue or which are being contested in good faith by appropriate proceedings, provided that any such lien shall be satisfied or discharged prior to the foreclosure thereof against any of the Collateral;

(c) not use or permit the use of the Vehicles or Racks for any unlawful purpose nor in any way that would void any insurance required to be carried in connection therewith;

(d) furnish reports to Key of all acquisitions, returns, sales and other dispositions of Vehicles or Racks in such form and detail and at such times as Key may reasonably require;

(e) not modify or amend any Lease in any way that would adversely affect the value thereof as Collateral for Key or waive any material default thereunder; not consent to any assignment or sublease of the Vehicles or Racks (provided that the Vehicles or Racks may be interchanged in accordance with the customary practices of the railroad industry); notify Key of any default or condition which with notice or lapse of time could become a material default under any Lease and of any claimed defense, offset or counterclaim of any lessee on any Lease promptly after becoming aware of any thereof; notify Key of any non-payment of rent under any Lease which continues for more than 30 days after such payment was due; enforce each Lease in accordance with its terms and perform (or cause to be performed) all obligations as lessor under the Leases;

(f) not, without the consent of Key (which consent shall not be reasonable withheld), enter into any Lease which varies or deviates substantially from, or amend any Lease so as to vary or deviate substantially from, the current Leases.

(g) (i) on or prior to any termination or expiration of the initial Lease applicable to a Vehicle or Rack, use Borrower's best efforts to renew such Lease on terms substantially similar to those currently contained in such Lease or use Borrower's best efforts to enter into a profitable lease for such Vehicle or Rack pursuant to a lease substantially in the form of the current Leases; (ii) to the extent the Borrower reasonably determines that Borrower is unable to lease all or any of the Vehicles or Racks pursuant to subsection (i) on terms reasonably satisfactory to the Borrower, taking into account the nature of the Obligations and the risk of non-payment of the full amount of the Obligations, the Borrower shall so inform Key and shall give Key such information, including information regarding conditions in the market, as Key may reasonably request;

(h) promptly upon the acquisition of each replacement Vehicle or Rack, furnish or cause to be furnished to Key, a Supplement hereto, describing each such Vehicle and Rack with such specificity as Key may reasonably require. Promptly upon the loss, theft, destruction or abandonment of any Vehicle or Rack, the Borrower will furnish or cause to be furnished to Key a deletion notice describing each such Vehicle or Rack to be deleted from the list of Collateral hereunder and a statement of the circumstances surrounding such loss, theft, destruction or abandonment with such specificity as Key may reasonably require;

(i) promptly after executing any Lease, deliver to Key such original executed Lease, a written acknowledgement by the lessee thereunder of the existence of this Security Agreement and the Note (provided that a separate written acknowledgment shall not be required if such Lease contains such acknowledgment) and a copy of any opinion of counsel to each lessee obtained by the Borrower and furnish or cause to be furnished to Key a Supplement hereto adding each Lease not described in Schedule 2 or any prior Supplements hereto and deleting each previously described Lease which has been terminated;

(j) acquire any replacement Vehicle or Rack only if such Vehicle or Rack is acquired by the Borrower as owner, free and clear of all liens and encumbrances except (i) the security interest created hereby, and (ii) the leasehold interest of the lessee under any Lease applicable to such Vehicle or Rack;

(k) keep all Vehicles or Racks in good order, repair and saleable condition, ordinary wear and tear excepted, in accordance with the standards and practices adhered to by users of similar items; not sell, transfer, dispose, waste, destroy or abandon the Vehicles or Racks or any part thereof except, (i) for any Vehicle or Rack that, in the good faith judgement of the Borrower, is worn-out, obsolete or without material economic value and (ii) Vehicles and Racks sold pursuant to Section 2.06 hereof;

(l) if any of the Vehicles or Racks are covered by certificates of title, not obtain certificates of title from more than one jurisdiction covering the same Vehicle or Rack and deliver to Key promptly upon issuance by the appropriate state authorities all certificates of title or of ownership for such Vehicle or Racks; notify Key in writing of any changes in the certificates of title or ownership covering such Vehicles or Racks; upon replacing any Vehicle or Rack immediately obtain for such Vehicle or Rack a certificate of title naming Key as lien holder from the appropriate state officials; and take all necessary action to perfect the security interest of Key in such replacement Vehicle or Rack;

(m) cause every copy of each Lease comprised in the Collateral which is in the possession of the Borrower to be stamped or imprinted the legend: "Subject to a Security Interest in favor of Key Bank of Oregon."

ARTICLE 6. FURTHER ASSURANCES.

The Borrower shall use Borrower's best efforts to supply Key promptly with such information concerning the Collateral as Key may reasonably request from time to time hereafter. At the Borrowers' expense, the Borrower shall execute and deliver to Key concurrently with the execution of this Security Agreement, and at any time or times hereafter at the request of Key, all vehicle or rack title documents, financing statements, continuation statements, security agreements, assignments, affidavits, reports, notices, and other documents, including, without limitation, originals of all instruments, documents and chattel paper consisting of the Collateral, necessary to maintain a first perfected security interest in the Collateral or that Key may reasonably request, in a form satisfactory to Key, to maintain Key's assignment of and security interest in the collateral and to consummate fully all of the transactions contemplated under this Security Agreement. The Borrower shall file all financing statements, security agreements and vehicle title documents necessary to preserve Borrower's interest in the Vehicles or Racks against any person claiming an interest therein by or through any lessee or by virtue of any Lease, including filings with the Interstate Commerce Commission under 49 U.S.C. Sect. 11303 and 49 CFR Part 1177 and the Registrar General of Canada. The Borrower hereby irrevocably authorizes Key to file, at

the Borrowers' expense, such Vehicle or Rack title documents, financing statements, continuation statements and other documents as Key may deem necessary or reasonably desirable for the perfection of the security interest and lien of Key hereunder, without the Borrowers' signatures, and appoint Key as the Borrowers' attorney-in-fact (which appointment is irrevocably and coupled with an interest) to execute any such statements and documents in the Borrowers' names and to perform all other acts which Key deems appropriate to perfect and continue the security interest granted to Key hereunder. The Borrower will execute and deliver to Key such additional documents as Key may reasonably require or deem advisable to carry into effect the purpose of this Security Agreement or to maintain Key's interest hereunder.

ARTICLE 7. RECORDS AND INSPECTION.

The Borrower will, with respect to the Collateral, deliver to Key at the Borrowers' expense such papers as Key may request including without limitation statements of customer accounts, bank statements, invoices, evidence of shipment or delivery and receipts. The Borrower hereby covenants that until the effective date of a change-of-address notice which is delivered pursuant to Section 5.07 hereof Borrower's records relating to the Collateral, including without limitation all originals of all Leases, instruments and other chattel paper relating thereto not delivered to Key, will be kept at Borrower's office at One Centerpointe Drive, Suite 200, Lake Oswego, Oregon 97035.

ARTICLE 8. EVENTS OF DEFAULT.

The occurrence of any of the following events ("Events of Default") shall be a default hereunder:

8.01 the Borrower shall fail to pay when due any installments of principal or interest or any other sum payable pursuant to the Note or hereunder, and which failure to pay shall continue for 10 days;

8.02 the Borrower shall fail to observe or perform any covenant, condition or agreement hereof and such failure shall continue for 20 days after whichever of the following dates is the earliest: (i) the date the Borrower notifies Key of such failure (ii) the date the Borrower should have notified Key of such failure in accordance with the provision of Section 5.06; or (iii) the date Key notifies the Borrower of such failure;

8.03 any financial statement, representation, warranty or certificate made or prepared by or under the control of the Borrower or either of the Guarantors and furnished by the Borrower or the Guarantors to Key in connection with this Security Agreement, or as an inducement to Key to enter into this Security Agreement, or in any separate statement or document to be delivered hereunder to Key, shall have contained an untrue statement of a material fact when made or shall have failed to state a material fact necessary to make the statements therein not misleading when made;

8.04 the Borrower or either of the Guarantors shall take any action, whether voluntary or involuntary, seeking relief under any applicable provision of the United States Bankruptcy Code or otherwise institute any similar proceeding under any other applicable federal or state law, or shall consent thereto; or any of them shall make an assignment for the benefit of creditors or shall admit in writing his or her inability to pay his or her debts generally as they become due; or there occurs such a change in the condition or affairs of the Borrower or Guarantors as in the opinion of Key impairs its security or increases its risks;

8.05 the Borrower shall sell, encumber or otherwise dispose of any Vehicle or Rack or any interest therein, in a manner not provided for herein;

8.06 the Borrower shall misuse or abuse the Vehicles or Racks; or use or allow the use of the Vehicles or Racks in connection with any undertakings prohibited by law or by any policy of insurance thereon;

8.07 the Borrower shall attempt to do any of the acts specified in Articles 8.05 or 8.06 above;

ARTICLE 9. REMEDIES.

In the event of a default as described above, Key may, at its option, take one or more of the following actions, giving any notice and opportunity to cure as may be required by law:

9.01 Key may accelerate and declare immediately due and payable the principal, accrued interest, and all other sums payable under the Note and this Security Agreement;

9.02 Key shall be entitled to exercise, with respect to the Collateral, any or all of the rights and remedies available to a secured party under the Uniform Commercial Code in effect in the state of Oregon or any other jurisdiction in which Collateral may be located at that time and in addition thereto the rights and remedies provided for herein and such other rights and remedies as may be provided by law, including, without limitation, rights of setoff; the aforesaid rights and remedies of Key to be cumulative and non-exclusive, yet non-duplicative;

9.03 the Borrower shall upon the request of Key assemble the Collateral (or any portion thereof) at such place or places as Key shall designate (subject always to the rights of the lessees under the Leases), and Key shall have the right, with or without legal process and with or without prior demand, directly or through its agents to take possession of all or any part of the Collateral. Furthermore, Key shall have the right, without notice or demand or legal process, to enter upon such premises of the Borrower for the purposes of taking such possession;

9.04 Key may exercise all rights of the Borrower under any Lease;

9.05 Key may notify the lessees under the Leases and any other person obligated on any of the Collateral of the existence of Key's security interest and may direct that all rents and other sums due or to become due on any of the Leases or other Collateral be paid directly to Key; and rents and other payments thereafter received by the Borrower with respect to any of the Collateral shall be received and held by Borrower in trust for Key and shall not be commingled with any other property and shall be delivered to Key immediately upon receipt thereof by the Borrower in the same form as received except for any necessary endorsement in favor of Key;

9.06 Key may demand, collect, receive and receipt for, compromise, compound, settle and give acquittance for and prosecute and discontinue any suits or proceedings in respect of any or all of the Collateral or of any insurance on any or all of the Collateral, and may pay or discharge any taxes, liens and encumbrances levied or placed on or threatened against the Collateral (and any such payments shall be part of the Obligations and be payable by the Borrower on demand), and may take any other action which Key may deem necessary or desirable in order to realize on the Collateral, including without limitation the power to perform any contract and to endorse in the name of any checks, drafts, notes or other documents which are Collateral or are received in payment or on account of the Collateral.

All proceeds and other monies received by Key pursuant to the terms of this Security Agreement shall be applied as follows:

(a) to the payment of all expenses reasonably incurred by Key in connection with the exercise of any right or remedy hereunder, to the extent that such expenses and costs shall not have theretofore been reimbursed to Key by the Borrower; and

(b) to the payment in full to Key of all Obligations owing to Key, any surplus to be paid to the Borrower or Borrower's successors or assigns, or as a court of competent jurisdiction may direct.

The Borrower shall be and remain liable for any deficiency remaining after applying all proceeds and other monies set forth above.

ARTICLE 10. NOTICES.

Any notice required by law to be given by Key of any disposition of the Collateral or any other intended action by Key, which is given in accordance with Article 12.06 at least 10 calendar days prior to such proposed action, shall constitute reasonable and fair notice to the Borrower of any such action.

ARTICLE 11. COUNSEL FEES.

If at any time or times hereafter Key shall employ counsel:

11.01 to represent Key in any litigation, contest, dispute, suit and proceeding (whether instituted by Key, the Borrower or any other entity) in any way or respect relating to any of the Collateral, the Note or this Security Agreement;

11.02 to protect, collect, lease, sell, take possession of or liquidate any of the Collateral;

11.03 to attempt to enforce any assignment or interest of Key in any of the Collateral; or

11.04 to enforce any rights of Key against the Borrower or against any other person or entity which may be obligated to Key by virtue of this Security Agreement;

then, in any of the foregoing events, all of the reasonable attorneys' fees arising from such services and all reasonable expenses, costs and charges in any way or respect arising in connection therewith or relating thereto shall constitute a part of the Obligations in connection with which such actions were taken, shall bear interest from the date of Key's payment thereof at the rate borne or to be borne by the Note and shall be payable on demand.

Article 12. MISCELLANEOUS.

12.01 Waivers. Any waiver, permit, consent or approval by Key of any Event of Default or breach of any provision, condition or covenant of this Security Agreement or the Note must be in writing and shall be effective only to the extent it is set forth in writing. No waiver of a specific breach or Event of Default shall operate as a waiver of any other breach or Event of Default or of the same Event of Default occurring at a later time.

12.02 Failure or Delay. No Failure or delay on the part of Key in the exercise of any power, right or privilege under this Security Agreement or the Note shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise of any other power, right or privilege.

12.03 Cumulative Rights. All rights and remedies existing under this Security Agreement and the Note are cumulative to, and not exclusive of, any rights or remedies otherwise available under applicable law.

12.04 Severability. Any provision of this Security Agreement or the Note which is prohibited or unenforceable in any jurisdiction, shall be, only as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability, but all the remaining provisions of this Security Agreement and the Note shall remain valid.

12.05 Successors and Assigns. This Security Agreement shall be binding upon the Borrower, Key and their respective successors and assigns and shall inure to the benefit of the Borrower, Key and the successors and assigns of Key. Key may assign its rights and interests in and to this Security Agreement and the Note and/or grant a security interest in the Collateral in whole or in part without notice to the Borrower. The Borrower may not assign or transfer any rights under this Security Agreement without the prior written consent of Key.

12.06 Notices. Any notice which any party may be required or may desire to give to the other party under any provision of this Security Agreement or the Note shall be in writing and shall be deemed to have been given or made when personally delivered to the office described below or five days after deposited in the mail, first class postage prepaid and addressed as follows;

To the Borrower:	James-Furman & Company c/o The Greenbrier Companies One Centerpointe Drive Suite 200 Lake Oswego, Oregon 97035
To Key:	Key Bank of Oregon Head Office CBC 1211 SW 5th Avenue, Suite 300 Portland, Oregon 97204 Attention: Charles B. Anderson Vice President & Senior Relationship Manager

Key and the Borrower may change the addresses to which all notices, requests and other communications are to be sent by giving written notice of such address change to the other party in conformity with this section, and as to Borrower, Section 5.07, but such change shall not be effective until notice of such change has been received by the other parties.

12.07 Costs, Expenses and Attorneys' Fees. Promptly upon receiving a statement therefor, the Borrower will pay to Key all of Key's reasonable out-of-pocket expenses in connection with the preparation, negotiation, and settlement of this Security Agreement and the documents contemplated hereby, including the reasonable fees, expenses and disbursements of counsel to Key in connection with the preparation of such documents and any amendments hereof or thereof. The Borrower shall also promptly, upon receiving a statement therefor, pay to Key all of Key's reasonable out-of-pocket expenses, including attorneys' fees connected with Key's perfecting its security interest as provided for in Article 2 hereof. The Borrower will reimburse Key for all costs and expenses, including reasonable attorneys' fees, expended or incurred by Key in enforcing this Security Agreement, in actions for declaratory relief in any way related to this Security Agreement, in collecting any sum which becomes due to Key on the Note, or in the protection, preservation or enforcement of any rights of Key in connection with this Security Agreement.

12.08 Counterparts. This Security Agreement may be executed in any number of counterparts, each of which shall be an original.

12.09 Governing Law. The validity, construction and effect of this Security Agreement and Note shall be governed by the laws of the State of Oregon.

12.10 Complete Agreement. This Security Agreement, together with the exhibits to this Security Agreement, and any Supplements, is intended by the parties as a final expression of their agreement and is intended as a complete statement of the terms and conditions of their agreement.

IN WITNESS WHEREOF, Key and the Borrower have caused this Security Agreement to be duly executed on the day and year first written at the beginning of this Security Agreement.

KEY BANK OF OREGON

By:  _____

Title: Vice President _____

JAMES-FURMAN & COMPANY, A PARTNERSHIP

By:  _____
Alan James, Partner

By:  _____
William A Furman, Partner

STATE OF OREGON)
) ss.
COUNTY OF CLACKAMAS)

On this 10th day of January, 1995, before me personally appeared Alan James, to me personally known, who being by me duly sworn, says that the foregoing instrument was signed by him and he acknowledged that the execution of the instrument was his free act and deed.

Janet E. Hudson
NOTARY PUBLIC

My commission expires: 5/28/98



STATE OF OREGON)
) ss.
COUNTY OF CLACKAMAS)

On this 9th day of January, 1995, before me personally appeared William A. Furman, to me personally known, who being by me duly sworn, says that the foregoing instrument was signed by him and he acknowledged that the execution of the instrument was his free act and deed.

Janet E. Hudson
NOTARY PUBLIC

My commission expires: 5/28/98



STATE OF OREGON)
) ss.
COUNTY OF CLACKAMAS)

On this 6th day of January 1995, before me personally appeared Charles B. Anderson, to me personally known, who being by me duly sworn, says that he is the Vice President of Key Bank of Oregon that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

Janet E. Hudson

NOTARY PUBLIC

My commission expires: 5/28/98



Schedule I
To
Loan, Mortgage and Security Agreement

Description of Collateral

Railcars with Auto-Racks

1. 283 F 70-78 Tri-Level Candidates per attached list page #1
2. 92 F 70-79 Bi-Level Candidates per attached list page #3
3. 12 F 70-84 Bi-Level Candidates per attached list page #4

Auto-Racks Only

1. 145 F 70-90 Tri-Level Candidates per attached list page #1
2. 18 F 70-91 B-Level Candidates per attached list page #2

Railcars with Auto-Racks
283 F 70-78 Tri-Levels

Old Number	New Number	Old Number	New Number	Old Number	New Number
SP 515800	SOO 515800	SP 515849	SOO 515849	SP 515899	SOO 515899
SP 515801	SOO 515801	SP 515850	SOO 515850	SP 515900	SOO 515900
SP 515802	SOO 515802	SP 515851	SOO 515851	SP 515901	SOO 515901
SP 515803	SOO 515803	SP 515852	SOO 515852	SP 515902	SOO 515902
SP 515804	SOO 515804	SP 515853	SOO 515853	SP 515903	SOO 515903
SP 515805	SOO 515805	SP 515854	SOO 515854	SP 515904	SOO 515904
SP 515806	SOO 515806	SP 515855	SOO 515855	SP 515905	SOO 515905
SP 515807	SOO 515807	SP 515856	SOO 515856	SP 515906	SOO 515906
SP 515808	SOO 515808	SP 515858	SOO 515858	SP 515907	SOO 515907
SP 515809	SOO 515809	SP 515859	SOO 515859	SP 515908	SOO 515908
SP 515810	SOO 515810	SP 515860	SOO 515860	SP 515910	SOO 515910
SP 515811	SOO 515811	SP 515861	SOO 515861	SP 515911	SOO 515911
SP 515812	SOO 515812	SP 515862	SOO 515862	SP 515912	SOO 515912
SP 515813	SOO 515813	SP 515863	SOO 515863	SP 515913	SOO 515913
SP 515814	SOO 515814	SP 515864	SOO 515864	SP 515914	SOO 515914
SP 515815	SOO 515815	SP 515865	SOO 515865	SP 515915	SOO 515915
SP 515816	SOO 515816	SP 515866	SOO 515866	SP 515916	SOO 515916
SP 515817	SOO 515817	SP 515867	SOO 515867	SP 515917	SOO 515917
SP 515818	SOO 515818	SP 515868	SOO 515868	SP 515918	SOO 515918
SP 515819	SOO 515819	SP 515869	SOO 515869	SP 515919	SOO 515919
SP 515820	SOO 515820	SP 515870	SOO 515870	SP 515920	SOO 515920
SP 515821	SOO 515821	SP 515871	SOO 515871	SP 515921	SOO 515921
SP 515822	SOO 515822	SP 515872	SOO 515872	SP 515922	SOO 515922
SP 515823	SOO 515823	SP 515873	SOO 515873	SP 515923	SOO 515923
SP 515824	SOO 515824	SP 515874	SOO 515874	SP 515925	SOO 515925
SP 515825	SOO 515825	SP 515875	SOO 515875	SP 515926	SOO 515926
SP 515826	SOO 515826	SP 515876	SOO 515876	SP 515927	SOO 515927
SP 515827	SOO 515827	SP 515877	SOO 515877	SP 515928	SOO 515928
SP 515828	SOO 515828	SP 515878	SOO 515878	SP 515929	SOO 515929
SP 515829	SOO 515829	SP 515879	SOO 515879	SP 515930	SOO 515930
SP 515830	SOO 515830	SP 515880	SOO 515880	SP 515932	SOO 515932
SP 515831	SOO 515831	SP 515881	SOO 515881	SP 515933	SOO 515933
SP 515832	SOO 515832	SP 515882	SOO 515882	SP 515935	SOO 515935
SP 515833	SOO 515833	SP 515883	SOO 515883	SP 515936	SOO 515936
SP 515834	SOO 515834	SP 515884	SOO 515884	SP 515937	SOO 515937
SP 515835	SOO 515835	SP 515885	SOO 515885	SP 515938	SOO 515938
SP 515836	SOO 515836	SP 515886	SOO 515886	SP 515939	SOO 515939
SP 515837	SOO 515837	SP 515887	SOO 515887	SP 515940	SOO 515940
SP 515838	SOO 515838	SP 515888	SOO 515888	SP 515941	SOO 515941
SP 515839	SOO 515839	SP 515889	SOO 515889	SP 515943	SOO 515943
SP 515840	SOO 515840	SP 515890	SOO 515890	SP 515944	SOO 515944
SP 515841	SOO 515841	SP 515892	SOO 515892	SP 515945	SOO 515945
SP 515842	SOO 515842	SP 515893	SOO 515893	SP 515946	SOO 515946
SP 515844	SOO 515844	SP 515894	SOO 515894	SP 515947	SOO 515947
SP 515845	SOO 515845	SP 515895	SOO 515895	SP 515948	SOO 515948
SP 515846	SOO 515846	SP 515896	SOO 515896	SP 515949	SOO 515949
SP 515847	SOO 515847	SP 515897	SOO 515897	SP 515950	SOO 515950
SP 515848	SOO 515848	SP 515898	SOO 515898	SP 515952	SOO 515952

Railcars with Auto-Racks
 283 F 70-78 Tri-Levels
 Page 2

Old Number	New Number	Old Number	New Number	Old Number	New Number
SP 515953	SOO 515953	SP 516007	SOO 516007	SP 516057	SOO 516057
SP 515954	SOO 515954	SP 516008	SOO 516008	SP 516058	SOO 516058
SP 515955	SOO 515955	SP 516009	SOO 516009	SP 516059	SOO 516059
SP 515957	SOO 515957	SP 516010	SOO 516010	SP 516060	SOO 516060
SP 515958	SOO 515958	SP 516011	SOO 516011	SP 516061	SOO 516061
SP 515959	SOO 515959	SP 516012	SOO 516012	SP 516062	SOO 516062
SP 515960	SOO 515960	SP 516013	SOO 516013	SP 516063	SOO 516063
SP 515961	SOO 515961	SP 516014	SOO 516014	SP 516064	SOO 516064
SP 515963	SOO 515963	SP 516015	SOO 516015	SP 516065	SOO 516065
SP 515965	SOO 515965	SP 516016	SOO 516016	SP 516066	SOO 516066
SP 515966	SOO 515966	SP 516017	SOO 516017	SP 516067	SOO 516067
SP 515967	SOO 515967	SP 516018	SOO 516018	SP 516068	SOO 516068
SP 515968	SOO 515968	SP 516019	SOO 516019	SP 516069	SOO 516069
SP 515969	SOO 515969	SP 516020	SOO 516020	SP 516070	SOO 516070
SP 515970	SOO 515970	SP 516021	SOO 516021	SP 516071	SOO 516071
SP 515971	SOO 515971	SP 516022	SOO 516022	SP 516072	SOO 516072
SP 515972	SOO 515972	SP 516023	SOO 516023	SP 516073	SOO 516073
SP 515973	SOO 515973	SP 516024	SOO 516024	SP 516074	SOO 516074
SP 515974	SOO 515974	SP 516025	SOO 516025	SP 516075	SOO 516075
SP 515975	SOO 515975	SP 516026	SOO 516026	SP 516076	SOO 516076
SP 515977	SOO 515977	SP 516027	SOO 516027	SP 516077	SOO 516077
SP 515978	SOO 515978	SP 516028	SOO 516028	SP 516078	SOO 516078
SP 515981	SOO 515981	SP 516029	SOO 516029	SP 516079	SOO 516079
SP 515982	SOO 515982	SP 516030	SOO 516030	SP 516080	SOO 516080
SP 515983	SOO 515983	SP 516031	SOO 516031	SP 516081	SOO 516081
SP 515984	SOO 515984	SP 516032	SOO 516032	SP 516082	SOO 516082
SP 515985	SOO 515985	SP 516033	SOO 516033	SP 516083	SOO 516083
SP 515986	SOO 515986	SP 516034	SOO 516034	SP 516084	SOO 516084
SP 515987	SOO 515987	SP 516035	SOO 516035	SP 516085	SOO 516085
SP 515988	SOO 515988	SP 516036	SOO 516036	SP 516086	SOO 516086
SP 515989	SOO 515989	SP 516037	SOO 516037	SP 516087	SOO 516087
SP 515990	SOO 515990	SP 516038	SOO 516038	SP 516088	SOO 516088
SP 515991	SOO 515991	SP 516039	SOO 516039	SP 516089	SOO 516089
SP 515992	SOO 515992	SP 516040	SOO 516040	SP 516090	SOO 516090
SP 515993	SOO 515993	SP 516041	SOO 516041	SP 516091	SOO 516091
SP 515994	SOO 515994	SP 516042	SOO 516042	SP 516092	SOO 516092
SP 515995	SOO 515995	SP 516044	SOO 516044	SP 516093	SOO 516093
SP 515996	SOO 515996	SP 516045	SOO 516045	SP 516094	SOO 516094
SP 515997	SOO 515997	SP 516046	SOO 516046	SP 516095	SOO 516095
SP 515998	SOO 515998	SP 516047	SOO 516047	SP 516096	SOO 516096
SP 515999	SOO 515999	SP 516048	SOO 516048	SP 516097	SOO 516097
SP 516000	SOO 516000	SP 516049	SOO 516049	SP 516098	SOO 516098
SP 516001	SOO 516001	SP 516050	SOO 516050	SP 516099	SOO 516099
SP 516002	SOO 516002	SP 516051	SOO 516051		
SP 516003	SOO 516003	SP 516052	SOO 516052		
SP 516004	SOO 516004	SP 516053	SOO 516053		
SP 516005	SOO 516005	SP 516055	SOO 516055		
SP 516006	SOO 516006	SP 516056	SOO 516056		

Railcars with Auto-Racks
92 F 70-79 Bi-Levels

Old Number	New Number	Old Number	New Number
SP 516313	SOO 516313	SP 516366	SOO 516366
SP 516314	SOO 516314	SP 516367	SOO 516367
SP 516315	SOO 516315	SP 516368	SOO 516368
SP 516316	SOO 516316	SP 516369	SOO 516369
SP 516318	SOO 516318	SP 516370	SOO 516370
SP 516319	SOO 516319	SP 516371	SOO 516371
SP 516320	SOO 516320	SP 516372	SOO 516372
SP 516321	SOO 516321	SP 516373	SOO 516373
SP 516322	SOO 516322	SP 516374	SOO 516374
SP 516323	SOO 516323	SP 516375	SOO 516375
SP 516324	SOO 516324	SP 516376	SOO 516376
SP 516325	SOO 516325	SP 516378	SOO 516378
SP 516326	SOO 516326	SP 516379	SOO 516379
SP 516327	SOO 516327	SP 516380	SOO 516380
SP 516328	SOO 516328	SP 516381	SOO 516381
SP 516329	SOO 516329	SP 516382	SOO 516382
SP 516330	SOO 516330	SP 516383	SOO 516383
SP 516331	SOO 516331	SP 516384	SOO 516384
SP 516332	SOO 516332	SP 516385	SOO 516385
SP 516334	SOO 516334	SP 516386	SOO 516386
SP 516335	SOO 516335	SP 516387	SOO 516387
SP 516336	SOO 516336	SP 516388	SOO 516388
SP 516337	SOO 516337	SP 516389	SOO 516389
SP 516338	SOO 516338	SP 516390	SOO 516390
SP 516339	SOO 516339	SP 516391	SOO 516391
SP 516340	SOO 516340	SP 516392	SOO 516392
SP 516341	SOO 516341	SP 516393	SOO 516393
SP 516342	SOO 516342	SP 516394	SOO 516394
SP 516343	SOO 516343	SP 516395	SOO 516395
SP 516344	SOO 516344	SP 516397	SOO 516397
SP 516345	SOO 516345	SP 516398	SOO 516398
SP 516346	SOO 516346	SP 516399	SOO 516399
SP 516347	SOO 516347	SP 516400	SOO 516400
SP 516349	SOO 516349	SP 516402	SOO 516402
SP 516350	SOO 516350	SP 516403	SOO 516403
SP 516351	SOO 516351	SP 516404	SOO 516404
SP 516352	SOO 516352	SP 516405	SOO 516405
SP 516353	SOO 516353	SP 516406	SOO 516406
SP 516354	SOO 516354	SP 516407	SOO 516407
SP 516355	SOO 516355	SP 516408	SOO 516408
SP 516356	SOO 516356	SP 516410	SOO 516410
SP 516357	SOO 516357	SP 516411	SOO 516411
SP 516359	SOO 516359	SP 516412	SOO 516412
SP 516360	SOO 516360		
SP 516361	SOO 516361		
SP 516362	SOO 516362		
SP 516363	SOO 516363		
SP 516364	SOO 516364		
SP 516365	SOO 516365		

Railcars with Auto-Racks
12 F 70-84 Bi-Levels

Old Number	New Number
SP 518001	S00 518001
SP 518016	S00 518016
SP 518052	S00 518052
SP 518058	S00 518058
SP 518076	S00 518076
SP 518079	S00 518079
SP 518088	S00 518088
SP 518113	S00 518113
SP 518129	S00 518129
SP 518143	S00 518143
SP 518161	S00 518161
SP 518194	S00 518194

Auto-Racks Only
145 F 70-90

Old Number	New Number	Old Number	New Number	Old Number	New Number
ETTX 800054	ETTX 800054	ETTX 800998	ETTX 800998	ETTX 909058	ETTX 909058
ETTX 800115	ETTX 800115	ETTX 801086	ETTX 801086	ETTX 909059	ETTX 909059
ETTX 800138	ETTX 800138	ETTX 801089	ETTX 801089	ETTX 909061	ETTX 909061
ETTX 800143	ETTX 800143	ETTX 801092	ETTX 801092	ETTX 909066	ETTX 909066
ETTX 800212	ETTX 800212	ETTX 801102	ETTX 801102	ETTX 909080	ETTX 909080
ETTX 800226	ETTX 800226	ETTX 801106	ETTX 801106	ETTX 909082	ETTX 909082
ETTX 800233	ETTX 800233	ETTX 801107	ETTX 801107	ETTX 909125	ETTX 909125
ETTX 800321	ETTX 800321	ETTX 801114	ETTX 801114	ETTX 909143	ETTX 909143
ETTX 800387	ETTX 800387	ETTX 801119	ETTX 801119	ETTX 909182	ETTX 909182
ETTX 800388	ETTX 800388	ETTX 801129	ETTX 801129	ETTX 909189	ETTX 909189
ETTX 800408	ETTX 800408	ETTX 801130	ETTX 801130	ETTX 909191	ETTX 909191
ETTX 800409	ETTX 800409	ETTX 801140	ETTX 801140	ETTX 909207	ETTX 909207
ETTX 800410	ETTX 800410	ETTX 801147	ETTX 801147	ETTX 909213	ETTX 909213
ETTX 800415	ETTX 800415	ETTX 801151	ETTX 801151	ETTX 909214	ETTX 909214
ETTX 800420	ETTX 800420	ETTX 801153	ETTX 801153	ETTX 909220	ETTX 909220
ETTX 800421	ETTX 800421	ETTX 801154	ETTX 801154	ETTX 909237	ETTX 909237
ETTX 800424	ETTX 800424	ETTX 801159	ETTX 801159	ETTX 909266	ETTX 909266
ETTX 800425	ETTX 800425	ETTX 801160	ETTX 801160	ETTX 909274	ETTX 909274
ETTX 800512	ETTX 800512	ETTX 801161	ETTX 801161	ETTX 909302	ETTX 909302
ETTX 800520	ETTX 800520	ETTX 801162	ETTX 801162	ETTX 909321	ETTX 909321
ETTX 800521	ETTX 800521	ETTX 801307	ETTX 801307	ETTX 909390	ETTX 909390
ETTX 800524	ETTX 800524	ETTX 801661	ETTX 801661	ETTX 909391	ETTX 909391
ETTX 800525	ETTX 800525	ETTX 801736	ETTX 801736	ETTX 909397	ETTX 909397
ETTX 800527	ETTX 800527	ETTX 801812	ETTX 801812	ETTX 909400	ETTX 909400
ETTX 800528	ETTX 800528	ETTX 801818	ETTX 801818	ETTX 909406	ETTX 909406
ETTX 800532	ETTX 800532	ETTX 801819	ETTX 801819	ETTX 909409	ETTX 909409
ETTX 800533	ETTX 800533	ETTX 801820	ETTX 801820	ETTX 909418	ETTX 909418
ETTX 800539	ETTX 800539	ETTX 801823	ETTX 801823	ETTX 909420	ETTX 909420
ETTX 800540	ETTX 800540	ETTX 801841	ETTX 801841	ETTX 909423	ETTX 909423
ETTX 800543	ETTX 800543	ETTX 801847	ETTX 801847	ETTX 909424	ETTX 909424
ETTX 800565	ETTX 800565	ETTX 801849	ETTX 801849	ETTX 909429	ETTX 909429
ETTX 800566	ETTX 800566	ETTX 801854	ETTX 801854	ETTX 909432	ETTX 909432
ETTX 800568	ETTX 800568	ETTX 801855	ETTX 801855	ETTX 909433	ETTX 909433
ETTX 800575	ETTX 800575	ETTX 801858	ETTX 801858	ETTX 909437	ETTX 909437
ETTX 800579	ETTX 800579	ETTX 801869	ETTX 801869	ETTX 909445	ETTX 909445
ETTX 800581	ETTX 800581	ETTX 908940	ETTX 908940	ETTX 909468	ETTX 909468
ETTX 800582	ETTX 800582	ETTX 908982	ETTX 908982	ETTX 909476	ETTX 909476
ETTX 800585	ETTX 800585	ETTX 908984	ETTX 908984	ETTX 909481	ETTX 909481
ETTX 800586	ETTX 800586	ETTX 908988	ETTX 908988	ETTX 909492	ETTX 909492
ETTX 800593	ETTX 800593	ETTX 908994	ETTX 908994		
ETTX 800595	ETTX 800595	ETTX 909000	ETTX 909000		
ETTX 800598	ETTX 800598	ETTX 909009	ETTX 909009		
ETTX 800600	ETTX 800600	ETTX 909014	ETTX 909014		
ETTX 800605	ETTX 800605	ETTX 909026	ETTX 909026		
ETTX 800614	ETTX 800614	ETTX 909034	ETTX 909034		
ETTX 800620	ETTX 800620	ETTX 909035	ETTX 909035		
ETTX 800621	ETTX 800621	ETTX 909036	ETTX 909036		
ETTX 800622	ETTX 800622	ETTX 909038	ETTX 909038		
ETTX 800628	ETTX 800628	ETTX 909043	ETTX 909043		
ETTX 800672	ETTX 800672	ETTX 909046	ETTX 909046		
ETTX 800841	ETTX 800841	ETTX 909047	ETTX 909047		
ETTX 800851	ETTX 800851	ETTX 909049	ETTX 909049		
ETTX 800974	ETTX 800974	ETTX 909054	ETTX 909054		

Auto-Racks Only
18 F 70-91

Old Number	New Number
TTGX 254623	TTGX 254623
TTGX 254833	TTGX 254833
TTGX 254860	TTGX 254860
TTGX 254945	TTGX 254945
TTGX 255053	TTGX 255053
TTGX 255090	TTGX 255090
TTGX 255106	TTGX 255106
TTGX 255195	TTGX 255195
TTGX 255628	TTGX 255628
TTGX 255722	TTGX 255722
TTGX 255724	TTGX 255724
TTGX 255767	TTGX 255767
TTGX 255780	TTGX 255780
TTGX 255806	TTGX 255806
TTGX 255857	TTGX 255857
TTGX 255989	TTGX 255989
TTGX 256040	TTGX 256040
TTGX 961871	TTGX 961871

SCHEDULE 2
TO
LOAN, MORTGAGE AND SECURITY AGREEMENT

Description of Leases:

Lease Agreement dated March 4, 1994, by and between Soo Line Railroad Company as lessee and Greenbrier Railcar, Inc. as lessor, regarding railcars and autoracks, as assigned to James-Furman & Company pursuant to an Assignment of Lease Agreement dated as of April 28, 1994.

Lease Agreement dated March 4, 1994, by and between Soo Line Railroad Company as lessee and Greenbrier Railcar, Inc. as lessor, regarding auto-racks, to James-Furman & Company pursuant to an Assignment of Lease Agreement dated as of April 28, 1994.

EXHIBIT "A" TO LOAN, MORTGAGE AND SECURITY AGREEMENT

LOAN, MORTGAGE AND SECURITY AGREEMENT SUPPLEMENT

This Loan, Mortgage and Security Agreement Supplement ("Supplement") is given by James-Furman & Company (the "Borrower") to KEY BANK OF OREGON ("Key") as a supplement to the Loan, Mortgage and Security Agreement dated as of January , 1995, (herein, as the same may have been amended, modified or supplemented from time to time, called the "Security Agreement") between the Borrower and Key.

Capitalized terms used herein shall have the meanings attributed thereto in the Security Agreement.

As further security for the Obligations, the Borrower hereby assigns to Key all of the Borrowers' rights, title and interest in, and grant to Key a security interest in the following items of Collateral: (a) the Vehicles and Racks listed on Schedule 1 hereto and all improvements, replacements, substitutions, accessories and additions thereto; (b) the Leases listed on Schedule 2 hereto and all leases and agreements to lease now or hereafter in effect and relating in any way to the Vehicles or Racks; and (c) all accounts, contracts, contract rights, documents, instruments, general intangibles, chattel paper, and all ledger sheets, files and other documents relating to the property described in (a) and (b) above; and (d) all Proceeds of all the foregoing. This grant of a security interest is made under and pursuant to the terms of the Security Agreement.

The Borrower warrants to Key that (a) Borrower's the lawful owners of the Vehicles and Racks, Leases and Proceeds, free and clear of all liens and encumbrances (except the security interest of Key and the leasehold interest of the lessees under the Leases); (b) each Vehicle or Rack listed on Schedule 1 has been received, delivered and accepted by a duly authorized agent of the Borrower and each Vehicle and Rack is in the condition required by the Security Agreement; and (c) each Lease listed on Schedule 2 is the valid and binding obligation of the lessee thereunder, not subject as of the date hereof to any claim, offset of defense and the names and addresses of the lessees, the lease terms and Rents payable on such Leases as shown on the attachment are true and correct.

Date _____, 1995.

James-Furman & Company

By: _____
Alan James

By: _____
William A. Furman

CONTINUING GUARANTY AGREEMENT



Date: _____, 19____

In order to induce Key Bank of Oregon (the "Bank") to enter into one or more agreements with _____ (hereinafter called the "Borrower") and in consideration of any credit, advances or financial accommodations now or hereafter granted to or on behalf of the Borrower, the undersigned, and each of them (the "Guarantors"), for value received, do hereby jointly and severally unconditionally guarantee the full and prompt payment, performance and satisfaction of all obligations of the Borrower to the Bank, due or to become due, whether created or incurred before or after default, absolute or contingent, now existing or hereafter created or arising out of such agreements, now or hereafter executed between the Borrower and the Bank, or in any other fashion, including, without limitation, obligations arising in connection with loans, advances under lines of credit, endorsements, overdrafts, guaranty agreements and acceptance agreements as and when the same become due and payable, as well as the due performance of each and all terms, covenants, warranties and conditions contained in any of such agreements, in any other agreement now or hereafter executed between the Borrower and the Bank, or in any supplements or amendments thereto. The Guarantors do hereby jointly and severally indemnify the Bank and agree to hold the Bank harmless against all obligations, demands, losses or other liabilities and expenses, including attorneys' fees, by whomsoever asserted, suffered, incurred or paid by the Bank arising out of or in any way related to any transactions under such agreements or otherwise. In the event of any default by the Borrower in the payment of any sums or performance of any obligations to the Bank, the Guarantors jointly and severally agree to pay and perform the same on demand.

The Guarantors, and each of them, jointly and severally agree that:

(a) This guaranty shall be continuing and absolute and shall not be affected or impaired by any modification, extension or amendment of any agreement now or hereafter executed between the Borrower and the Bank nor by any modification, extension of time for the payment of, forbearance, settlement, release, surrender, exchange or discharge of any obligation herein guaranteed, or any collateral therefor, nor by any failure to perfect the Bank's interest in any collateral nor by the extension of additional credit after default or the release of any security after default, whether material or otherwise, nor by the death or release of any of the Guarantors; and

(b) The liability of each Guarantor hereunder is direct and unconditional and may be enforced without requiring the Bank first to exercise, enforce, or exhaust any right or remedy against the Borrower, any other Guarantor or collateral, and shall continue in full force and effect until all obligations of the Borrower to the Bank shall have been fully paid, satisfied and performed. Each Guarantor acknowledges receipt of separate consideration for the execution of this Continuing Guaranty Agreement.

Each Guarantor hereby waives notice of the acceptance hereof, notice of extensions of credit from time to time by the Bank to the Borrower, presentment for payment, demand, protest, notice of dishonor, notice of default, notice of nonpayment and all other notices to which the Guarantors might otherwise be entitled, any defense which the Guarantors may have by reason of any defense which the Borrower may have against the Bank, other than payment, satisfaction and performance of all obligations owed to the Bank by the Borrower, and any right, title or interest, whether by subrogation or otherwise, in any collateral however or whenever assigned to the Bank, until all obligations of the Borrower to the Bank have been fully paid, satisfied and performed. The Guarantors agree that the Bank may at any time, without notice to or assent from them, and without affecting their liability, compromise, exchange, surrender or release, on terms satisfactory to the Bank or by operation of law or otherwise, any security held by it or any of its rights against the Borrower and any other obligors or guarantors and may grant extensions of time to the Borrower and any other obligors or guarantors. The Bank shall not be prejudiced and liability of the Guarantors shall not be affected by any other act or omission of the Bank whereby liability of any one or more of the Guarantors would be or might have been affected or discharged, and the Guarantors hereby waive any defense whatsoever available to the Guarantors except payment, satisfaction and performance in full of all the obligations of the Borrower to the Bank. The Guarantors agree that the Bank shall be under no obligation to marshal any assets in favor of any one or more Guarantors or against or in payment of any or all of the obligations of the Borrower to the Bank.

If the Borrower or any of the Guarantors should at any time become insolvent, or make an assignment for the benefit of creditors, or, if any insolvency or reorganization proceedings are commenced by or against the Borrower or any of the Guarantors, all obligations of each Guarantor shall, at the option of the Bank, forthwith become due and payable without notice.

The Guarantors hereby subordinate the payment, satisfaction and performance of all present and future obligations of the Borrower to any one or more Guarantors to the payment, performance and satisfaction of any and all obligations of the Borrower to the Bank, and the Guarantors hereby subordinate all present and future interest of any one or more Guarantors, in and to any and all property and assets now owned or hereafter acquired by the Borrower to any interest of the Bank therein. The Guarantors agree that they shall not demand, sue for, take, receive payment of, conveyance of or any transfer of (including the grant of a security or security interest) money, property or assets of the Borrower without the prior written consent of the Bank. The Guarantors agree that in the event of any distribution, division or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the assets of the Borrower among its creditors or upon any obligations of the Borrower, accruing by reason of the liquidation, dissolution or other winding up of the Borrower, or by reason of any foreclosure or execution sale, or receivership, insolvency or bankruptcy proceedings, or proceedings for reorganization or readjustment of the Borrower or its properties, or otherwise, then, in any such event, the Bank shall be preferred in the payment of its claims over any claims of any of the Guarantors against the Borrower or any of its assets or properties, and the claims of the Bank shall be first paid and satisfied in full before any payment or distribution of any kind or character, whether in cash, property or securities, shall be made to any one or more of the Guarantors. The Guarantors represent that no obligation of the Borrower to the Guarantors is or shall be evidenced by negotiable instruments unless any existing negotiable instrument has been endorsed and delivered to the Bank and unless any future negotiable instruments shall be endorsed and delivered to the Bank forthwith upon the execution thereof. As security for this guaranty, the Guarantors do hereby assign, transfer and set over to the Bank all obligations of the Borrower to the Guarantors with full power of attorney to make, present, file and vote proofs of claims and to receive and collect any and all dividends or other payments incident to any liquidation, bankruptcy, receivership or assignment for the benefit of creditors of the Borrower. This power, being coupled with an interest, is irrevocable while any obligation of the Borrower to the Bank remains unpaid. Nothing herein shall be construed as an undertaking on the part of the Bank to make any loan to the Borrower.

The Guarantors hereby represent that they were not induced to give this guaranty by the fact that there are or may be other guarantors either under this instrument or otherwise, or any collateral for the obligations hereby guaranteed. The Bank shall have the right to seek recourse against the Guarantors to the full extent provided for herein and in any other documents or instruments evidencing obligations of the Guarantors to the Bank, as well as against the Borrower, to the full extent provided for in any agreement between the Bank and the Borrower. No election to proceed in one form of action or proceeding, or against any party, or on any obligation, shall constitute a waiver of the Bank's right to proceed in any other form of action or proceeding or against other parties, unless the Bank has expressly waived such right in writing. Specifically, but without limiting the generality of the foregoing, no action or proceeding by the Bank against the Borrower under any document or instrument evidencing or securing any obligation of the Borrower to the Bank shall serve to diminish the liability of the Guarantors except to the extent that the Bank realizes payment by such action or proceeding, notwithstanding the effect of any such action or proceeding upon the Guarantors' rights of subrogation against the Borrower. The Guarantors deliver this Continuing Guaranty Agreement based solely upon their own independent investigation of the financial condition of the Borrower and in no part upon a representation or statement of the Bank with respect thereto. The Guarantors are in a position to and hereby assume full responsibility for obtaining any additional information concerning the Borrower's

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OFFICERS INITIAL

Address
Address
Address

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY A BANK AFTER OCTOBER 3, 1989, CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY THAT BANK TO BE ENFORCEABLE.

This Continuing Guaranty Agreement shall be governed by and interpreted in accordance with the laws of the State of Oregon.
This Continuing Guaranty Agreement shall be binding upon the respective heirs, representatives, successors and assigns of each Guarantor and shall inure to the benefit of the Bank, its successors and assigns.
Any provision hereof which violates the law of any jurisdiction shall, when governed by the law of such jurisdiction, be deemed void to the extent of such prohibition, but without invalidating the remaining provisions hereof.
and in any proceedings under the bankruptcy or like law.
The Guarantors agree to pay all expenses incurred by the Bank in connection with the enforcement of its rights under this Continuing Guaranty Agreement, including, but not limited to, court costs, collection charges and all attorneys' fees, including attorneys' fees incurred on appeal and in any proceedings under the bankruptcy or like law.
This guaranty may be terminated as to any Guarantor only by giving the bank written notice, by registered or certified mail, at least fifteen (15) business days prior to the effective date of termination. Such termination shall be applicable only to transactions having their inception after the effective date of termination and shall not affect the rights and obligations arising out of transactions having their inception prior to such date. Subsequent to any such termination, all recoveries or receipt of funds by the Bank shall be applied to the Bank's most recently arising obligations. Neither the death, incompetency, bankruptcy, receivership, release of or revocation by any Guarantor shall affect the continuing liability of any of the Guarantors remaining hereunder.
Under certain circumstances the bank may be required to return payments made by the borrower. Such action may result from a court order, administrative order, settlement or any other circumstance. If the bank is required to return payments, the guarantors agree to remain liable for the amount returned as if such amount had never been received by the bank. The guarantors agree to remain liable even though the guaranty may have been terminated, or the note or other agreement evidencing the debt may have been cancelled.
This guaranty shall be effective when delivered to the Bank without need for acceptance or other formality.
The Bank to furnish them any information in the Borrower's financial condition. The Bank and the Guarantors agree that the Guarantors hereby knowingly accept the full range of risk encompassed within a contract of "continuing guaranty" which risk includes, but without limitation, the possibility that the Borrower will incur additional obligations for which the Guarantors may be liable hereunder after the Borrower's financial condition or ability to pay its lawful debts when they are due has deteriorated and the Guarantors understand that the amount of the obligations may be increased or decreased and the ratios of obligations to collateral, if any, may be changed adversely to the Guarantors at the sole discretion of the Bank. This guaranty shall be effective when delivered to the Bank without need for acceptance or other formality.
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The Guarantors agree to pay all expenses incurred by the Bank in connection with the enforcement of its rights under this Continuing Guaranty Agreement, including, but not limited to, court costs, collection charges and all attorneys' fees, including attorneys' fees incurred on appeal and in any proceedings under the bankruptcy or like law.
Any provision hereof which violates the law of any jurisdiction shall, when governed by the law of such jurisdiction, be deemed void to the extent of such prohibition, but without invalidating the remaining provisions hereof.
This Continuing Guaranty Agreement shall be binding upon the respective heirs, representatives, successors and assigns of each Guarantor and shall inure to the benefit of the Bank, its successors and assigns.
This Continuing Guaranty Agreement shall be governed by and interpreted in accordance with the laws of the State of Oregon.