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JAMES C MARTIN JR *

* ALSO ADMITTED IN NEW YORK
* ALSO ADMITTED IN MARYLAND

REGISTRATION NO 17253

MAR 13 1991 -12 50 PM

#15

New Member

March 13, 1991 INTERSTATE COMMERCE COMMISSION

MAR 13 12 47 PM '91
FEDERAL BUREAU OF INVESTIGATION

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

1-072A028

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are three (3) fully executed and acknowledged copies of a Loan and Security Agreement dated as of March 12, 1991, a primary document as defined in the Commission's Rules for the Recordation of Documents, 49 C.F.R. Section 1177.

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

Borrower: Greenbrier Railcar, Inc.
One Centerpointe Drive, Suite 200
Lake Oswego, Oregon 97035

Secured Party: KeyCorp Leasing Ltd.
One KeyCorp Plaza
Albany, New York 12201

A description of the railroad equipment covered by the enclosed document is set forth in Schedule 1 attached hereto and made a part hereof.

Also enclosed is a check in the amount of \$15 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Counterparts - C.T. Kappler

Mr. Sidney L. Strickland, Jr.
March 13, 1991
Page Two

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

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

Loan and Security Agreement dated as of March 13, 1991 between Greenbrier Railcar, Inc., Borrower, and KeyCorp Leasing Ltd., Secured Party, covering 544 railcars.

Very truly yours,


Charles T. Kappler

CTK/bg
Enclosure

SCHEDULE 1
TO
LOAN AND SECURITY AGREEMENT

Description of Vehicles:

Clause A - 14 50' 100-Ton Boxcars
Nos. WCRC 10120 - 10129
WCRC 10131 - 10134

Clause B - 12 100-Ton Woodchip Railcars
Nos. GBRX 7601 - 7612

Clause C - 54 Open Top Hopper Railcars
Nos. TRAX 2200 - 2202
TRAX 2300
TRAX 4000 - 4049

Clause D - 17 70-Ton Boxcars
Nos. MMRR 1800 - 1816

Clause E - 50 70-Ton Boxcars
Nos. NOKL 7500 - 7549

Clause F - 50 100-Ton Copper Boxcars
Nos. NOKL 77020 - 77069

Clause G - 28 100-Ton Copper Boxcars
Nos. NOKL 77000 - 77019
NOKL 77070 - 77077

NMW



Clause H - 78 100-Ton Boxcars

Nos. NSSX 10010
NSSX 10012
NSSX 10016
NSSX 10022
NSSX 10025
NSSX 10029 - 10030
NSSX 10032
NSSX 10034 - 10038
NSSX 10040 - 10041
NSSX 10043 - 10044
NSSX 10047 - 10048
NSSX 10050
NSSX 10052 - 10054
NSSX 10056 - 10058
NSSX 10060 - 10061
NSSX 10063 - 10064
NSSX 10066 - 10069
NSSX 10072 - 10078
NSSX 10080 - 10091
NSSX 10093 - 10094
NSSX 10096
NSSX 10098
NSSX 10104
NSSX 10108
NSSX 10120 - 10129
NSSX 10131 - 10139

Clause I - 61 100-Ton Boxcars

Nos. WCRC 10000 - 10028
WCRC 10030 - 10031
WCRC 10033 - 10039
WCRC 10042 - 10044
WCRC 10051
WCRC 10055
WCRC 10059
WCRC 10062
WCRC 10065
WCRC 10070 - 10071
WCRC 10079
WCRC 10086
WCRC 10100 - 10103
WCRC 10105 - 10107
WCRC 10109 - 10112

NMW



Clause J - 15 100-Ton Boxcars
Nos. WCRC 10135 - 10149

Clause K - 50 50-Foot, 70-Ton Boxcars
Nos. IC 532800 - 532849

Clause L - 114 89-Foot Flatcars
Nos. CRLE 80000 - 80061
CRLE 80063 - 80113
CRLE 80115

Nmw



Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

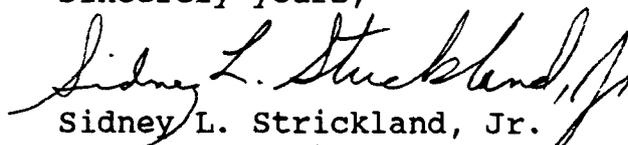
3/13/91

Charles T. Kappler
Alvord and Alvord
200 World Center Building
918 Sixteenth Street, N. W.
Washington, D. C. 20006-2973

Dear Sirs:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/13/91 at 12:50PM , and assigned recordation number(s). 17253.

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

17253

REGISTRATION NO. _____ FILED 1425

MAR 13 1991 -12 50 PM

LOAN AND SECURITY AGREEMENT INTERSTATE COMMERCE COMMISSION

THIS LOAN AND SECURITY AGREEMENT ("Security Agreement"), dated as of March 12, 1991, between GREENBRIER RAILCAR, INC., a Delaware Corporation, having its chief executive offices and chief place of business at One Centerpointe Drive, Suite 200, Lake Oswego, Oregon (the "Borrower") and KeyCorp Leasing Ltd., a Delaware Corporation ("Key") with its principal place of business at One KeyCorp Plaza, Albany, New York.

WITNESSETH:

WHEREAS, Borrower and Key have entered into a Promissory Note ("Note") dated as of March 12, 1991; and

WHEREAS, as security for the Borrower's prompt and faithful performance of its 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 premise 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, Borrower has executed the Note in which Borrower agrees to pay to the order of Key or its assigns in the principal amount and 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 said Note may be amended or extended from time to time or under any Note issued in substitution or replacement thereof, or (ii) hereunder (collectively the "Obligations"), the Borrower hereby assigns to Key all of its rights, title and interest in, whether now existing or hereafter arising, and grants to Key a lien on and security interest in:

2.01 all vehicles and goods listed on Schedule 1 hereto, all vehicles and goods listed on any Supplements to Security Agreement (in the form attached hereto as Exhibit A) 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, bailees or any other person and whether located at the places of business of the Borrower or elsewhere (the "Vehicles");

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 connection herewith, and all leases and agreements to lease, now or hereafter in effect and relating in any way to the Vehicles (the "Leases") and all rents, accounts and other rights to payment 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 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, and such Vehicle shall not have been repaired to the condition required to be maintained pursuant to Article 5.13(k) hereof or replaced by a Vehicle meeting the requirements of Article 5.10, the Borrower shall prepay the Note in an amount equal to the Loan Value of the Vehicle so lost or destroyed. Such Payment shall be made promptly upon receipt of any insurance or other cash proceeds of such Vehicle and in any event within 120 days after such loss or destruction; provided, however, that if such Vehicle is repaired to the condition required by Article 5.13(k) hereof or replaced by a Vehicle meeting the requirements of Article 5.10 prior to the earlier of the receipt of insurance or other cash proceeds or the date 90 days after such loss of 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 Article 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 Note, the Borrower makes the following representations and warranties which shall survive the execution and delivery of this Security Agreement and the Note:

3.01 The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Borrower has all necessary corporate power and authority to own its properties and assets and to carry on its business as is presently carried on by it or is contemplated hereunder to be carried on. The Borrower is duly qualified to do business as a foreign corporation in each jurisdiction where the nature of the business conducted by it or the properties owned by it makes such qualification necessary.

3.02 The Borrower has all requisite legal power and all governmental licenses, authorizations, consents and approvals necessary to own and operate its properties and to carry on its business as now conducted. The Borrower has all requisite power to borrow the sums provided for in the Note and to execute and deliver this Security Agreement, and the Note and to perform and observe the terms and provisions hereof and thereof.

3.03 The Borrower has taken all necessary action to authorize the execution, delivery and performance by it of this Security Agreement, the Note and no such action requires the

consent or approval of any regulatory authority or agency having jurisdiction over the Borrower, nor is any such action in contravention of or in conflict with its articles of incorporation or bylaws or the provision of any statute, judgment, order, indenture, instrument, agreement or undertaking to which the Borrower is a party or by which its assets or properties are or may become bound or any resolutions of its shareholders or board of directors.

3.04 This Security Agreement has been duly authorized, 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 it 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.

3.05 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 the articles of incorporation or bylaws of 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 its property is bound.

3.06 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 or any of its Subsidiaries which (i) may affect 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 business, operations or condition, financial or otherwise, of the Borrower or any of its Subsidiaries.

3.07 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, performance by the Borrower of this Security Agreement or the Note, or the transaction contemplated hereby or thereby.

3.08 The consolidated financial statement of the Borrower and its subsidiaries as of August 31, 1990, a copy of which has been heretofore delivered to Key, are true, complete and correct and fairly present the financial condition of the Borrower and its subsidiaries as of such date. Said financial statements have been prepared in accordance with generally accepted accounting principles. There has been no material adverse change in the business, operations or condition, financial or otherwise, of the Borrower and its subsidiaries since the date of such financial statements. Neither the Borrower nor any of its subsidiaries has any material liabilities, direct or contingent, except as disclosed in such financial statements or as disclosed by the Borrower in writing to Key.

3.09 The proceeds of the Note shall be used by the Borrower first to repay the Bank of California Warehouse financing with respect to the Collateral, and any balance shall be used for the Borrower's corporate purposes generally.

3.10 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.

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

3.12 The Borrower has the right and power to grant a security interest in the Collateral.

3.13 The Borrower is the owner and has good and marketable title to the Vehicles 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.

3.14 Each Vehicle listed on Schedule 1 is in the condition required by Article 5.13(j) and (k) hereof.

3.15 Each Lease listed on Schedule 2 is the valid and binding obligation of the lessee thereon, 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 Borrower.

4.02 Key shall have received, in form and substance satisfactory to it, a written opinion, as of the date funding is to occur on the Note, of Norriss M. Webb, counsel for Borrower and the Guarantor, or other counsel satisfactory to Key as to the matters set forth in Exhibit C and such legal matters relating hereto as Key may reasonably request.

4.03 Key shall have received the Guaranty (the "Guaranty"), dated as of even date hereof and duly executed and delivered by the Guarantor, substantially in the form of Exhibit B hereto with only such changes as may be approved by Key.

4.04 Key shall have received evidence that the Borrower and the Guarantor are incorporated and in good standing in the State of Delaware, certified copies of their respective Articles of Incorporation and Bylaws and all amendments thereto, and all corporate proceedings authorizing the transactions contemplated herein, incumbency certificates, and such additional closing documents as Key may reasonably require, all in scope, form and substance satisfactory to Key.

4.05 Key shall have received from the Borrower the original executed initial leases. Should Borrower fail to provide Key with all original executed initial leases, Borrower shall, concurrent with its first payment under the Note, pay to Key a principal sum equal to the pro rata amount by which the Vehicles leased under such initial lease(s) bear to the total loan amount.

4.06 If the Vehicles 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).

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

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

4.09 Key Shall have received executed copies (and acknowledgment copies to the extent reasonably available) of proper Uniform Commercial Code financing statements, in form and substance satisfactory to Key, duly filed under the Uniform Commercial Code in all jurisdictions as may be necessary, or in Key's reasonable opinion, desirable, to perfect the security interest of Key created under the Security Agreement; and all fillings, recordings and other actions that are necessary or advisable, in the opinion of Key, in order to establish, protect, preserve and perfect such security interests as legal, valid and enforceable first security interests in such Collateral shall have been effected and Key shall have received evidence thereof in form and substance satisfactory to it.

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

4.11 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 fulfilment of all of its 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 Vehicles financed hereunder in the possession of the Borrower or any lessee, and to discuss such records and accounts and the Collateral generally with those officers of the Borrower best acquainted therewith.

5.02 Borrower will use the proceeds of the Loan only for the purposes described in Section 3.09.

5.03 The Borrower will furnish or cause to be furnished to Key:

(a) within 90 days after the end of each fiscal quarter in each fiscal year of the Guarantor and the Borrower:
(i) consolidated income statements of the Guarantor and its Subsidiaries (including the Borrower and any corporation, the

majority of the shares of the outstanding stock of which having ordinary voting power for the election of directors is owned by the Borrower, either directly or through one or more of its subsidiaries, hereinafter "Subsidiaries") for such quarter, (ii) consolidated income statements of the Borrower and its Subsidiaries for such quarter, (iii) consolidated balance sheets of the Guarantor and its Subsidiaries (including the Borrower and its Subsidiaries) as of the end of such quarter, and (iv) consolidated balance sheets of the Borrower and its Subsidiaries as of the end of such quarter, all in reasonable detail, subject to year-end audit adjustments and certified by the chief executive officer or the chief financial officer of the Guarantor (and by the chief financial officer of the Borrower, with respect to the financial statements of the Borrower and its Subsidiaries) to present fairly the consolidated and consolidating financial condition of the Guarantor and its Subsidiaries (including the Borrower and its Subsidiaries) and of the Borrower and its Subsidiaries at such date and for the fiscal quarter then ended and to have been prepared in accordance with generally accepted accounting principles consistently applied;

(b) within 120 days after the close of each fiscal year of the Guarantor and the Borrower: (i) a consolidated income statement of the Guarantor and its Subsidiaries (including the Borrower and its Subsidiaries) for such fiscal year, (ii) a consolidated income statement of the Borrower and its Subsidiaries for such fiscal year, (iii) a consolidated balance sheet of the Guarantor and its Subsidiaries (including the Borrower and its Subsidiaries) as of the end of such fiscal year, and (iv) a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year, such statements and balance sheets to be audited by a firm of independent certified public accountants reasonably acceptable to Key, and certified by such accountants to present fairly the consolidated financial conditions of the Guarantor and its Subsidiaries (including the Borrower and its Subsidiaries) and of the Borrower and its Subsidiaries at such date and for the year then ended and to have been prepared in accordance with generally accepted accounting principles consistently applied; and

(c) within 90 days after the end of each fiscal quarter in each fiscal year of the Borrower and contemporaneously with each year-end financial reports required by the foregoing paragraph (b), a certificate of the chief executive officer or the chief financial officer of the Borrower stating that he has individually reviewed the provisions of this Security Agreement and that a review of the activities of the Borrower during such year or fiscal quarter, as the case may be, has been made by him or under his supervision, with a view to determining whether the Borrower has fulfilled all its obligations under this Security Agreement, and that the Borrower has observed and performed each undertaking contained in this Security Agreement and is not in default in the observance or performance of any of the provisions hereof or if the Borrower shall be so in default, specifying all such defaults of which he may have knowledge.

5.04 The Borrower shall preserve and maintain its existence as a corporation duly qualified and in good standing under the laws of the State of Delaware and under the laws of each other jurisdiction wherein the nature of the business conducted by it or the properties owned by it requires such qualification, and shall preserve and maintain all of its rights, privileges and franchises necessary or desirable in the normal course of its business. The Borrower shall not consolidate or merge with any other corporation or permit any other corporation to consolidate or merge with it unless it is either the surviving entity or the surviving entity has a net worth equal to or greater than the Borrower's net worth as of the date of this Agreement, nor shall the Borrower transfer all or substantially all of its corporate assets, without, in each case, the prior written consent of Key, which consent shall not be unreasonably withheld.

5.05 The Borrower shall maintain and keep or cause to be maintained and kept in force insurance required by Section 4.07.

5.06 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 on its books 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 the Borrower has knowledge thereof.

5.07 The Borrower shall promptly give notice in writing to Key, as soon as the 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 financed hereunder or of any damage to any Vehicle requiring repairs in excess of an amount equal to thirty percent (30%) of the Cost of such Vehicle.

5.08 The Borrower shall notify Key thirty days in advance of any change in its name or the location of its principal place of business or chief executive office.

5.09 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 third party, or (ii) arising out of or resulting from the use, misuse storage, maintenance, damage to, control or alteration of any

(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 except that the Borrower may waive the payment of rent under any Lease with the prior written consent of Key; not consent to any assignment or sublease of the Vehicles (provided that the Vehicles 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 (other than non-payment of rent) 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 45 days after such payment was due; enforce each Lease in accordance with its terms and perform all obligations as lessor under the Leases;

(f) not, without the consent of Key (which consent shall not be unreasonably withheld), enter into any Lease which varies or deviates substantially from, or amend any Lease so as to vary or deviate substantially from, the standard form of lease approved by Key pursuant to Section 5.11 hereof.

(g) (i) on or prior to the expiration of the initial Lease applicable to a Vehicle, use its best efforts to renew such Lease on terms substantially similar to those presently contained in such Lease or use its best efforts to enter into a profitable lease for such Vehicle pursuant to a lease substantially in the form approved by Key pursuant to Section 5.11 hereof; (ii) to the extent the Borrower reasonably determines that it is unable to lease all or any of the Vehicles 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 its acquisition of each replacement Vehicle, furnish or cause to be furnished to Key, a Supplement hereto, describing each such Vehicle with such specificity as Key may reasonably require. Promptly upon the loss, theft, destruction or abandonment of any Vehicle, the Borrower will furnish or cause to be furnished to Key a deletion notice describing each such Vehicle 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 only if such Vehicle 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;

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

(l) if any of the Vehicles are covered by certificates of title, not obtain certificates of title from more than one jurisdiction covering the same Vehicle and deliver to Key promptly upon issuance by the appropriate state authorities all certificates of title or of ownership for such Vehicles; notify Key in writing of any changes in the certificates of title or ownership covering such Vehicles; upon replacing any Vehicle, immediately obtain for such Vehicle 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;

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

ARTICLE 6. FURTHER ASSURANCES.

The Borrower shall use its best efforts to supply Key promptly with such information concerning the Collateral as Key may reasonably request from time to time hereafter. At the Borrower's 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 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 its interest in the Vehicles 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. The Borrower hereby irrevocably authorizes Key to file, at the Borrower's expense, such Vehicle 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 Borrower's signature, and appoints Key as the Borrower's attorney-in-fact (which appointment is irrevocable and coupled with an interest) to execute any such statements and documents in the Borrower's name 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 Borrower's 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 the notice of a change in its place of business is delivered pursuant to Section 5.08 hereof its 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 its chief executive office at One Centerpointe Drive, Suite 200, Lake Oswego, Oregon.

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 installment of principal or interest or any facility fee 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 5.07; 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 the Guarantor and furnished by the Borrower or the Guarantor to Key in connection with this Security Agreement, or as 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 Guarantor or any of its Subsidiaries (including the Borrower) shall institute a voluntary case seeking liquidation or reorganization under Chapter 7 or Chapter 11, respectively, of the United States Bankruptcy Code, or shall consent to the institution of any involuntary case thereunder against it; or, the Guarantor or any of its Subsidiaries (including the Borrower) shall file a petition, answer or consent or shall otherwise institute any similar proceeding under any other applicable federal or state law, or shall consent thereto; or the Guarantor or any of its Subsidiaries (including the Borrower) shall apply for, or by consent or acquiescence there shall be an appointment of, a receiver, liquidator, sequestrator, trustee or other officer with similar powers, of the Guarantor or any of its Subsidiaries (including the Borrower); shall make an assignment for the benefit of creditors; or the Guarantor or any of its Subsidiaries (including the Borrower) shall admit in writing its inability to pay its debts generally as they become due; or if an involuntary case shall be commenced seeking the liquidation or reorganization of the Guarantor or any of its Subsidiaries (including the Borrower) under Chapter 7 or Chapter 11, respectively, of the United States Bankruptcy Code or any similar proceeding shall be commenced against the Guarantor or any of its Subsidiaries (including the Borrower) under any other applicable federal or state law and (i) the petition commencing the involuntary case is not timely controverted, (ii) the petition commencing the involuntary case is not dismissed within thirty(30) days of its filing,(iii) an interim trustee is appointed to take possession of all or a portion of the property, and or to operate or any part of the business Guarantor or any of its subsidiaries (including the Borrower) or (iv) and order for relief shall have been issued or entered therein; or decree or order of court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator trustee, or other officer having similar powers of the Guarantor or any of its Subsidiaries (including the Borrower) or of all or part of its property, shall have been entered; or any other similar relief shall be granted against the Guarantor or any of its Subsidiaries (including the Borrower) under any applicable federal or state law;

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

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

8.07 attempt to do any of the acts specified in Articles 8.05 or 8.06 above in a manner not provided for herein;

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 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 of the state of New York 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 any 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 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 the Borrower 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, and successors or assigns, or as a court of competent jurisdiction may direct.

ARTICLE 10. NOTICES.

Any notice required bylaw 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 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 or proceeding (whether instituted by Key, the Borrower or any other entity) in any way or respect relating to any of the Collateral 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 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 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 the 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 Borrower. Borrower may not assign or transfer its 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, postage prepaid and addressed as follows;

To the Borrower: Greenbrier Railcar, Inc.
One Centerpointe Drive
Suite 200
Lake Oswego, Oregon 97035
Attention: Norriss M. Webb,
Vice President &
General Counsel

To Key: KeyCorp Leasing Ltd.
One KeyCorp Plaza, 7th Floor
Albany, New York 12201
Attention: David M. Churchill
Vice President of Operations

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, 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.

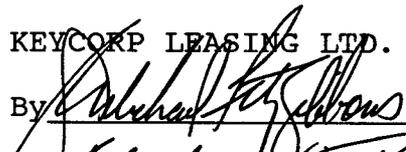
12.09 Governing Law. The validity, construction and effect of this Security Agreement and Note shall be governed by the laws of the State of New York.

12.10 Complete Agreement. This Security Agreement, together with the exhibits to this Security Agreement, 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 head of this Security Agreement.

KEYCORP LEASING LTD.

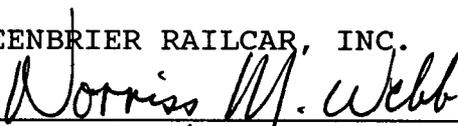
By



Executive Vice President.
Title:

GREENBRIER RAILCAR, INC.

By



Norris M. Webb
Title: Vice President
and General Counsel

STATE OF OREGON)
) ss.
COUNTY OF CLACKAMAS)

On this 11th day of March 1991, before me personally appeared Norriss M. Webb, to me personally known, who being by me duly sworn, says that he is the Vice President and General Counsel of GREENBRIER RAILCAR, INC., a Delaware corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation

Janet E. Hudson
Notary Public

My commission expires: 5/28/94

STATE OF New York)
) ss.
COUNTY OF Albany)

On this 12th day of March 1991, before me personally appeared J. Michael Fitzgibbons, to me personally known, who being by me duly sworn, says that he is the Executive Vice President of KEYCORP LEASING LTD., a Delaware corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation

Patricia M. Norwood
Notary Public

My commission expires:

PATRICIA M. NORWOOD
Notary Public, State of New York
Qualified in Rensselaer County
Commission Expires June 23, 1992

SCHEDULE 1
TO
LOAN AND SECURITY AGREEMENT

Description of Vehicles:

Clause A - 14 50' 100-Ton Boxcars
Nos. WCRC 10120 - 10129
WCRC 10131 - 10134

Clause B - 12 100-Ton Woodchip Railcars
Nos. GBRX 7601 - 7612

Clause C - 54 Open Top Hopper Railcars
Nos. TRAX 2200 - 2202
TRAX 2300
TRAX 4000 - 4049

Clause D - 17 70-Ton Boxcars
Nos. MMRR 1800 - 1816

Clause E - 50 70-Ton Boxcars
Nos. NOKL 7500 - 7549

Clause F - 50 100-Ton Copper Boxcars
Nos. NOKL 77020 - 77069

Clause G - 28 100-Ton Copper Boxcars
Nos. NOKL 77000 - 77019
NOKL 77070 - 77077

Nmw

A handwritten signature consisting of the letters 'Nmw' inside a circle, with another circle below it containing a stylized signature or initials.

Clause H - 78 100-Ton Boxcars

Nos. NSSX 10010
NSSX 10012
NSSX 10016
NSSX 10022
NSSX 10025
NSSX 10029 - 10030
NSSX 10032
NSSX 10034 - 10038
NSSX 10040 - 10041
NSSX 10043 - 10044
NSSX 10047 - 10048
NSSX 10050
NSSX 10052 - 10054
NSSX 10056 - 10058
NSSX 10060 - 10061
NSSX 10063 - 10064
NSSX 10066 - 10069
NSSX 10072 - 10078
NSSX 10080 - 10091
NSSX 10093 - 10094
NSSX 10096
NSSX 10098
NSSX 10104
NSSX 10108
NSSX 10120 - 10129
NSSX 10131 - 10139

Clause I - 61 100-Ton Boxcars

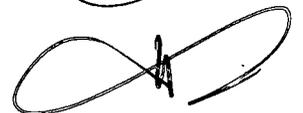
Nos. WCRC 10000 - 10028
WCRC 10030 - 10031
WCRC 10033 - 10039
WCRC 10042 - 10044
WCRC 10051
WCRC 10055
WCRC 10059
WCRC 10062
WCRC 10065
WCRC 10070 - 10071
WCRC 10079
WCRC 10086
WCRC 10100 - 10103
WCRC 10105 - 10107
WCRC 10109 - 10112

NMW


Clause J - 15 100-Ton Boxcars
Nos. WCRC 10135 - 10149

Clause K - 50 50-Foot, 70-Ton Boxcars
Nos. IC 532800 - 532849

Clause L - 114 89-Foot Flatcars
Nos. CRLE 80000 - 80061
CRLE 80063 - 80113
CRLE 80115

Nmw


SCHEDULE 2
TO
LOAN AND SECURITY AGREEMENT

Leases subject to the Loan and Security Agreement:

- A. Loading Agreement dated January 3, 1990, between the Borrower and Indiana and Ohio Central Railroad, with respect to the Vehicles described in Clause A of Schedule 1 to the Loan and Security Agreement.
- B. Lease dated April 19, 1988, between Borrower and Weyerhaeuser Company, with respect to the Vehicles described in Clause B of Schedule 1 to the Loan and Security Agreement.
- C. Lease dated June 21, 1988, between Borrower and Railtex, Inc., with respect to the Vehicles described in Clause C of Schedule 1 to the Loan and Security Agreement.
- D. Lease dated October 10, 1989, as amended by Amendment to Equipment Lease Agreement dated July 20, 1990, between Borrower and Railtex, Inc., with respect to the Vehicles described in Clause D of Schedule 1 to the Loan and Security Agreement.
- E. Lease dated August 10, 1989, between Borrower and Interail, Inc., with respect to the Vehicles described in Clause E of Schedule 1 to the Loan and Security Agreement.
- F. Lease dated July 25, 1988, between Borrower and Interail, Inc., with respect to the Vehicles described in Clause F of Schedule 1 to the Loan and Security Agreement.
- G. Lease dated August 17, 1989, between Borrower and Interail, Inc., with respect to the Vehicles described in Clause G of Schedule 1 to the Loan and Security Agreement.
- H. Lease dated September 18, 1989, between Borrower and National Salvage and Service Corporation, Midwest Railroad Tie Sales Inc., and Railroad Car Cleaning Service Inc., with respect to the Vehicles described in Clause H of Schedule 1 to the Loan and Security Agreement.
- I. Equipment Assignment Agreement dated May 20, 1988, between Borrower and Southern Pacific Transportation Company, with respect to the Vehicles described in Clause I of Schedule 1 to the Loan and Security Agreement.

Naw



- J. Lease Agreement dated December 1, 1988, between Borrower and Maryland Midland Railway Inc., with respect to the Vehicles described in Clause J of Schedule 1 to the Loan and Security Agreement.
- K. Loading Agreement dated November 22, 1989, between Borrower and Illinois Central, with respect to the Vehicles described in Clause K of Schedule 1 to the Loan and Security Agreement.
- L. Lease dated April 9, 1990, between Borrower and Southern Pacific Transportation Company, with respect to the Vehicles described in Clause L of Schedule 1 to the Loan and Security Agreement.

NW



EXHIBIT A TO LOAN AND
SECURITY AGREEMENT

LOAN AND SECURITY AGREEMENT SUPPLEMENT

This Loan and Security Agreement Supplement ("Supplement") is given by GREENBRIER RAILCAR, INC. (the "Borrower"), a Delaware corporation, to KEYCORP LEASING LTD., a Delaware corporation ("Key") as a supplement to the Loan and Security Agreement dated as of March 12, 1991 (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 meaning attributed thereto in the Security Agreement.

As further security for the Obligations, the Borrower hereby assigns to Key all of Borrower's rights, title and interest in, and grants to Key a security interest in the following items of Collateral: (a) the Vehicles listed on Attachment 1 hereto and all improvements, replacements, substitutions, accessories and additions thereto; (b) the Leases listed on Attachment 1 hereto and all leases and agreements to lease now or hereafter in effect and relating in any way to the Vehicles; 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 of 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) it is the lawful owner of such Vehicles, 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 listed on Attachment 1 has been received, delivered and accepted by a duly authorized agent of the Borrower and each such Vehicle is in the condition required by the Security Agreement and the Loan Agreement; and (c) each Lease listed on Attachment 1 is the valid and binding obligation of the lessee thereon, not subject as of the date hereof to any claim, offset or defense and the names and addresses of the lessees, the lease terms and the Rents payable on such Leases as shown on the attachment are true and correct.

Dated _____, 19____.

GREENBRIER RAILCAR, INC.

By _____

Title _____

ATTACHMENT 1
TO
LOAN AND SECURITY AGREEMENT SUPPLEMENT

Description of Vehicles:

Leases:

EXHIBIT B TO LOAN AND
SECURITY AGREEMENT

GUARANTY

THIS GUARANTY, made and given as of this day of
1991, by GREENBRIER LEASING CORPORATION, a Delaware
corporation (hereinafter called the "Guarantor") to KEYCORP
LEASING LTD., a Delaware Corporation (hereinafter called "Key").

WITNESSETH:

WHEREAS, the Guarantor owns 100% of the issued and
outstanding capital stock of Greenbrier Railcar, Inc., a Delaware
corporation (the "Company"); and

WHEREAS, the Company and Key have entered into a
Promissory Note ("Note") and Loan and Security Agreement ("Loan and
Security Agreement"), dated as of the date hereof (as the same may
hereafter be amended or supplemented from time to time), under
which the Company will be able to borrow funds from Key, and the
Guarantor will derive substantial economic benefit from such
extension of credit by Key to the Company; and

WHEREAS, Key has required, as a condition to its
execution and delivery of the Note and its agreement to provide
funds thereunder, that the Guarantor execute and deliver this
Guaranty;

NOW, THEREFORE, in consideration of the premises and of
Key's execution and delivery of the Note, and to induce Key to
extend credit to and accept the security interest granted to Key
by the Company, the Guarantor does hereby represent and warrant to
Key, and does hereby covenant and agree with Key, as follows:

1. The Guaranty. The Guarantor hereby unconditionally
guarantees to Key the prompt performance by the Company of all
obligations which the Company presently or hereafter may have to
Key, and the payment when due of all sums presently or hereafter
owing by the Company to Key in their present forms or as the same
may hereafter be modified or amended (including, without
limitation, loan principal, interest, fees, reasonable attorneys'
fees, filing and recording costs, out-of-pocket expenses,
collection costs, indemnity obligations and all other liabilities
of the Company to Key under the Note and Loan and Security
Agreement, all of the foregoing hereinafter referred to as the
"Liabilities"). The Guarantor agrees that its liability under
this Guaranty shall be primary and direct, and that Key shall not
be required to pursue any right or remedy it may have against the
Company under the Note, the Loan and Security Agreement or
otherwise (and shall not be required to first commence any action

or obtain any judgment against the Company or against property of the Company in which Key holds a security interest) before enforcing this Guaranty against the Guarantor.

2. Continuing Guaranty. This Guaranty is an absolute, unconditional, complete and continuing guaranty of payment of the Liabilities and shall continue to be in force and be binding upon the Guarantor until the Note and Loan and Security Agreement terminates or is terminated and all the Liabilities have been paid in full. No notice of the Liabilities already or hereafter contracted or acquired by Key, or of any renewal or extension of any thereof need be given to the Guarantor and none of the foregoing acts shall release the Guarantor from liability hereunder. The Guarantor hereby expressly waives (a) demand, presentment, protest and notice of dishonor on any and all forms of the Liabilities; (b) notice of acceptance of this Guaranty; and (c) any and all defenses excepting discharge by payment. The Guarantor shall not be exonerated with respect to its liability under this Guaranty by any act or thing except payment of the Liabilities.

3. Other Transactions. Key is expressly authorized to (a) exchange, surrender or release with or without consideration any or all collateral and security which may at any time be placed with it by the Company or by any other person, or to forward or deliver any or all such collateral and security which may at any time be placed with it by the Company or the Guarantor, or any other person directly to the Company for collection and remittance or for credit, or to collect the same in any other manner without notice to the Guarantor; and (b) amend the Loan and Security Agreement and the Note and to waive compliance by the Company with the terms thereof, without notice to the Guarantor and without in any manner affecting the absolute liability of the Guarantor hereunder. The liability of the Guarantor hereunder shall not be affected or impaired by any failure, neglect or omission on the part of Key to realize upon any of the Liabilities, or upon any collateral or security for any or all the Liabilities, nor by the taking by Key of (or the failure to take) any other guaranty or guaranties to secure the Liabilities, nor by the taking by Key of (or the failure to take or the failure to perfect its security in) collateral or security of any kind. The Guarantor acknowledges that this Guaranty is in effect and binding as to it without reference to whether this Guaranty is signed by any other person or persons and agrees that as to the Guarantor this Guaranty shall continue in full force and effect both as to Liabilities then existing and/or thereafter created, notwithstanding the release of or extension of time to any other guarantor of the Liabilities or any part thereof, and notwithstanding that from time to time no Liabilities may exist.

4. Waiver. Guarantor waives all rights of subrogation, reim-

bursement, indemnity, contribution or any other claim which Guarantor now has or may hereafter acquire against the Company or any other person directly or contingently liable for the liabilities, against or with respect to any Collateral arising from or based upon this Guaranty or payment pursuant hereto.

5. Application of Payments. Any and all payments upon the Liabilities made by the Guarantor under this Guaranty or by any other person, and/or the proceeds of any or all collateral or security for any of the Liabilities may be applied by Key on such items of the Liabilities as Key may elect.

6. Guarantor's Warranties. The Guarantor warrants to Key that it owns 100% of the issued and outstanding capital stock of the Company and expects to derive benefits from the transactions resulting in the creation of the Liabilities guaranteed hereby. Key may rely conclusively on a continuing warranty hereby made, that the Guarantor continues to be benefitted by Key's extension of credit to the Company and Key shall have no duty to inquire into or confirm the receipt of any such benefits, and the Guaranty shall be effective and enforceable by Key without regard to the receipt, nature or value of any such benefits.

7. Recovery of Payments. If any payment received by Key and applied to the Liabilities is subsequently set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of the Company or any other obligor), the Liabilities to which such payment was applied shall for the purposes of this Guaranty be deemed to have continued in existence, notwithstanding such application, and this Guaranty shall be enforceable as to such Liabilities as fully as if such application had never been made. If any action or claim is brought against Key (by, for example, a bankruptcy trustee for the Company) to recover a payment received by Key on the Liabilities, the defense against such claim, or the compromise, settlement or payment thereof shall be in the sole discretion of Key; and no action taken by Key (or failure to act) in that regard shall affect or impair, or be a defense against, the liability of the Guarantor hereunder.

8. Assignment. This guarantee is assignable by Key without notice to Guarantor and Guarantor consents thereto. This guarantee may not be assigned by Guarantor without the prior written consent of Key. Any Assignee of Key shall have all the rights of Key hereunder and may enforce this guarantee against Guarantor with the same force and affect as if this guarantee were given to such Assignee in the first instance.

9. Other Warranties of the Guarantor. The Guarantor warrants and represents to Key as follows:

(a) The Guarantor is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full power, authority and legal right to own and operate its properties, to carry on the business in which it engages and to execute and deliver and to perform and observe the provisions of this Guaranty.

(b) This Guaranty has been duly authorized by all necessary corporate action and when executed and delivered on behalf of the Guarantor will be the legal, valid and binding obligation of the Guarantor, enforceable in accordance with its terms (subject to limitations as to enforceability which might result from bankruptcy, reorganization, arrangement, insolvency or other similar laws affecting creditors' rights generally). No consent, approval or authorization of, or registration or declaration with, any governmental authority is required in connection with the execution and delivery of this Guaranty and the performance of the obligations of the guarantor herein contained.

(c) Neither the execution and delivery of this Guaranty, nor the consummation of the transactions herein contemplated, nor compliance with the terms and provisions hereof will violate the provisions of any applicable law, or of any applicable order or regulation of any governmental authority having jurisdiction over the Guarantor, and will not conflict with or result in a breach of any of the terms, conditions or provisions of the Guarantor's articles of incorporation or bylaws or any other agreement or instrument to which the Guarantor is now a party or bound, or constitute a default thereunder, where such conflict or breach would have a material adverse affect on the business or financial condition of the Guarantor, or (except as provided herein) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of its properties or assets.

(d) Except as heretofore disclosed to Key in writing, there are no actions, suits or proceedings pending, or, to the knowledge of the Guarantor, threatened against or affecting the Guarantor or any of its Subsidiaries (as defined in the Loan and Security Agreement), at law or in equity, or before any governmental board, agency or instrumentality or any arbitrator which involve the possibility of any judgment or liability not fully covered by insurance or any judgment which may result in any material adverse change in the business, operations, assets or financial condition of the Guarantor or any of its Subsidiaries. Neither the Guarantor nor any of its Subsidiaries is in default with respect to any order, writ, injunction or decree of any court or governmental board, agency or other instrumentality.

(e) The Guarantor has good and marketable title to all assets reflected in financial statements heretofore furnished to Key, subject to no liens, charges or encumbrances except those shown on such financial statements and except for assets disposed of in the ordinary course of business since the date of such financial statements.

(f) The Guarantor has filed all tax returns which are required to be filed and has paid, or made adequate provision for the payment of, all taxes which have or may become due pursuant to said returns or to assessments received.

(g) The guarantor is not in default under any provision of any agreement, contract, note, mortgage, lease or other instrument to which it is a party or by which it or its property is bound or of any law, judgment, decree or governmental order, rule or regulation, so as to affect adversely in any material manner its business or assets or financial condition.

(h) The Guarantor is not insolvent as of the date of this Guaranty and will not become insolvent as a result of the obligation incurred by the Guarantor hereunder. As used herein, the term "insolvent" means that the sum of the Guarantor's debts is greater than all of its assets, at fair valuation.

10. General

(a) The Guarantor agrees to reimburse Key upon the demand for all reasonable out-of-pocket expenses (including reasonable attorneys' fees and legal expenses) incurred in enforcing the obligations of the Guarantor hereunder.

(b) No delay on the part of Key in the exercise of any power or right shall operate as a waiver thereof, nor shall any single or partial exercise of any power or right preclude other or further exercise thereof or the exercise of any other power or right.

(c) Any notice, demand or consent authorized by this Guaranty to be given to the Guarantor shall be deemed to be given when personally delivered to, or five days after being sent by registered or certified mail, postage prepaid, and addressed to, the Guarantor at its address shown on the signature page or at such other address as the Guarantor may, by written notice received by Key, designate as the Guarantor's address for purposes of notice hereunder. Any notice or request authorized by this Guaranty to be given to Key shall be deemed to be given when personally delivered to, or five days after being sent by registered or certified mail, postage prepaid, addressed to, Key at the following address or at such other address as Key may, by

written notice to the Guarantor, designate as Key's address for purposes of notice hereunder:

KeyCorp Leasing Ltd.
1 KeyCorp Plaza, 7th Floor
Albany, New York 12201
Attention: Mr. Dave Churchill
Vice President of Operations

(d) This Guaranty is made under and shall be governed by the laws of the State of New York.

(e) Section headings herein are for convenience only and shall not be deemed part of the Guaranty.

(f) This Guaranty shall be binding upon the Guarantor and its successors and assigns and shall inure to the benefit of Key and the successors and assigns of Key.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed as of the day first above written.

GREENBRIER LEASING CORPORATION

By _____

Its _____

Address for Notices:

One Centerpointe Drive
Suite 200
Lake Oswego, Oregon 97035
Attention: _____

CERTIFICATION

STATE OF)
) SS:
COUNTY OF)

I, _____, a Notary Public within and for said State and County, duly commissioned and acting, do hereby certify that on this _____ day of _____, 1991, before me personally appeared _____, by me personally known, who being by me duly sworn, stated and acknowledged on oath that he is an officer of _____, the corporation named and which executed the foregoing Guaranty, and that he signed, executed, sealed and delivered same individually and on behalf of the said corporation, with authority to bind said corporation, and as his free and voluntary act and deed, for the uses, purposes and considerations therein mentioned and set forth.

WITNESS my hand and seal as such Notary Public the day and year in this certificate above written.

Notary Public

My commission expires _____

EXHIBIT C TO LOAN AND
SECURITY AGREEMENT

OPINION OF COUNSEL TO BORROWER AND GUARANTOR

Counsel to the Borrower and the Guarantor shall opine as to the following matters:

1. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and in good standing under the laws of the State of Oregon. The Guarantor is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Guarantor and its subsidiaries (including the Borrower) are each duly qualified to conduct business in all jurisdictions where the failure to so qualify would have a material adverse effect on its business.

2. The Borrower has the power, legal right and authority to enter into the Loan and Security Agreement, and the Note, and the Guarantor has the power, legal right and authority to enter into the Guaranty.

3. The execution, delivery and performance of the Loan and Security Agreement, the Note, and the Guaranty have been duly authorized by all necessary corporate action of the Borrower and the Guarantor and do not require the consent or approval of the shareholders of the Borrower or the Guarantor. The Loan and Security Agreement has been duly executed and delivered by the Borrower and constitutes, and the Note when executed and delivered will constitute, the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with its terms. The Guaranty has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligations of the Guarantor, enforceable against the Guarantor in accordance with its terms.

4. The execution, delivery and performance of the Loan and Security Agreement and the Note by the Borrower and of the Guaranty by the Guarantor will not contravene or conflict with the provisions of any statute or regulation applicable to the Borrower or the Guarantor or their respective assets or properties, or with any judgment, order, indenture, instrument, agreement or undertaking, known to (me) (us), to which the Borrower or the Guarantor is a party or by which their respective assets or properties are or may become bound, or with their respective articles of incorporation or bylaws or with any resolutions of their respective shareholders or Board of Directors.

5. Except as heretofore disclosed to the Bank in writing, there is no litigation, investigation or proceeding in any court or before any arbitrator or regulatory commission, board, administrative agency or governmental authority pending or threatened against or affecting the Borrower or the Guarantor or their respective subsidiaries, known to (me) (us), which may affect the performance by the Borrower of the Loan and Security Agreement, the Note, or the performance by the Guarantor of the Guaranty or any of the transactions contemplated thereby.

6. 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 and performance by the Borrower of the Loan and Security Agreement, or the Note or the execution, delivery and performance by the Guarantor of the Guaranty or the transactions contemplated thereby.

7. To the best of (my) (our) knowledge, no Event of Default under the Loan and Security Agreement, and no event which with notice or lapse of time, or both, would become such an Event of Default has occurred, and to the best of (my) (our) knowledge, the Borrower is not in default under any of its obligations under any Lease, as defined in the Loan and Security Agreement.

8. The Loan and Security Agreement creates an enforceable security interest in the Borrower's right, title and interest in and to each item of the Collateral to the extent the Borrower presently has rights in the Collateral. Such security interest in each item of Collateral, to the extent the Borrower presently has rights in the Collateral, has been and will remain duly perfected.

9. With regard to any security interest created under the Loan and Security Agreement to which the Uniform Commercial Code may now or hereafter apply, (a) there is no change in the name or principal place of business of the Borrower or in the Uniform Commercial Code as enacted in Oregon (the "Oregon Code") affecting classification of the Collateral, and (b) the proceeds are identifiable cash proceeds (as defined in the Oregon Code) or the proceeds are Collateral in which a security interest may be perfected by filing in the office or offices where financing statements have been filed, except for the filing of continuation statements in respect of such financing statements at the times prescribed in the Oregon Code, no further filing, recording, registration, re-filing, re-recording or re-registration is necessary in connection with the perfection of any security interest created or purported to be created by the Loan and Security Agreement in the Collateral.

The opinions to the effect that certain documents are enforceable in accordance with their respective terms may be subject to:

(i) judicial principles respecting election of remedies or limiting the availability of specific performance, injunctive relief, and other equitable remedies;

(ii) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect generally relating to or affecting creditors' rights;

(iii) limitations based on public policy limiting a Borrower's rights to waive the benefits of statutory provisions;

(iv) limitations on the right of a lender to enforce rights under the loan documents (including the Loan and Security Agreement) in circumstances and in a manner in which it would be commercially unreasonable to do so or would impose penalties for defaults when such penalties bear no reasonable relation to the damage suffered by the lender as a result of such default or would otherwise work a forfeiture.

As to matters of law of jurisdictions other than the United States and Oregon, Borrower's counsel may rely on opinions of local counsel chosen by Borrower's counsel, provided that copies of such opinions of local counsel accompany the foregoing opinion and that the foregoing opinion states that the opinions of local counsel are satisfactory in form and substance to the Borrower's counsel and that in their opinion the Bank is justified in relying on such opinions.