

ORIGINAL

LAW OFFICES

ROSS & HARDIES

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

150 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601-7567

312-558-1000

TWX NUMBER
910-221-1154
TELECOPIER
312-750-8600

529 FIFTH AVENUE
NEW YORK, NEW YORK 10017-4608
212-949-7075

580 HOWARD AVENUE
SOMERSET, NEW JERSEY 08873
201-563-2700

888 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-4103
202-296-8600

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INDEXED

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INDEXED

JUL 10 1991 -2 50 PM

July 9, 1991

JUL 10 1991 -2 50 PM

INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

Ms. Noretta R. McGee
INTERSTATE COMMERCE COMMISSION
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20432

17425
RECORDED
INDEXED

JUL 10 1991 -2 50 PM

1-191A023

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are one original and three photostatic copies of each of the three documents described below.

The first document is a Security Agreement (the "Security Agreement"), a primary document, dated July 8, 1991, between Railcar, Ltd. ("Mortgagor") and Deutsche Credit Corporation ("Mortgagee").

The names and addresses of the parties to the Security Agreement are:

Mortgagor:

Railcar, Ltd.
Suite 303
1819 Peachtree Road, N.E.
Atlanta, Georgia 30309-1847

Mortgagee

Deutsche Credit Corporation
2333 Waukegan Road
Deerfield, Illinois 60015

A description of the rail cars covered by the Security Agreement is set forth in Paragraph 1 of the Security Agreement.

JUL 10 2 14 PM '91
NATIONAL ARCHIVE

*Concurred
Eric S. Harris*

Ms. Noretta McGee
July 9, 1991
Page - 2 -

A check in the amount of \$15.00, payable to the order of the Interstate Commerce Commission, is enclosed to cover the required recordation fee of the Security Agreement.

The second document is a memorandum of lease ("Lease") dated July 8, 1991, between Railcar, Ltd. ("Lessor") and Champion International Corporation ("Lessee"). The Lease should be filed after the Security Agreement, the primary document to which it relates.

The names and addresses of the parties to the Lease are:

Lessor

Railcar, Ltd.
1819 Peachtree Road, N.E.
Suite 303
Atlanta, Georgia 30309-1847

Lessee

Champion International Corporation
101 Knightsbridge Road
Hamilton, Ohio 45020

A check for \$15.00, payable to the order of the Interstate Commerce Commission is enclosed to cover the required recordation fee of the Lease.

The third document is an Assignment of Lease (the "Assignment"), dated July 8, 1991, between Railcar, Ltd. (Assignor) and Deutsche Credit Corporation (Assignee). The Assignment should be filed after the Security Agreement, the primary document to which it relates.

The names and addresses of the parties to the Assignment are:

Assignor

Railcar, Ltd.
1819 Peachtree Road, N.E.
Suite 303
Atlanta, Georgia 30309-1847

Ms. Noretta McGee
July 9, 1991
Page - 3 -

Assignee

Deutsche Credit Corporation
2333 Waukegan Road
Deerfield, Illinois 60015

A check for \$15.00, payable to the order of the Interstate Commerce Commission, is enclosed to cover the required recordation fee of the Assignment.

Kindly return the three stamped photostatic copies of the three documents to Kelley W. White, Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

The following is a short summary of the enclosed documents:

Primary Document

A Security Agreement dated July 8, 1991, between Railcar, Ltd. and Deutsche Credit Corporation, covering thirty (30) 100-ton open top woodchip hopper rail cars described in Paragraph 1 therein.

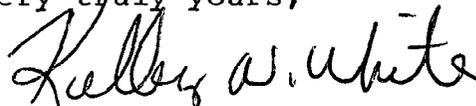
Secondary Document

A Memorandum of Lease dated July 8, 1991, between Railcar, Ltd. and Champion International Corporation covering thirty (30) 100-ton open top woodchip hopper rail cars described in Paragraph 2 therein.

Secondary Document

An Assignment of Lease dated July 8, 1991, between Railcar, Ltd. and Deutsche Credit Corporation, which covers thirty (30) 100-ton open top woodchip hopper rail cars described in the Lease.

Very truly yours,



Kelley W. White

KWW/ws

Enclosures

cc: Robert W. Kleinman (w/encls.)
Susan G. Lichtenfeld (w/encls.)

7/10/91

Interstate Commerce Commission
Washington, D.C. 20423

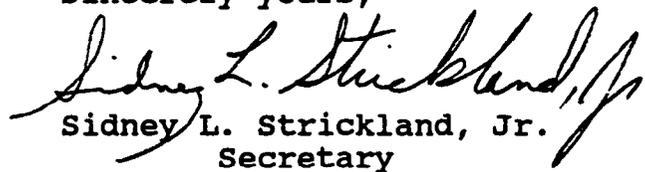
OFFICE OF THE SECRETARY

Kelley W. White
Ross & Hardies
150 North Michigan Avenue
Chicago, Illinois 60601

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/10/91 at 2:50pm, and assigned recordation number(s). 17425, 17425-A & 17425-B 17425-

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

MORTGAGE ON GOODS AND CHATTELS

JUL 10 1991 -2 50 PM

INTERSTATE COMMERCE COMMISSION

THIS MORTGAGE made the 8th day of July 19, 91, by and between

Railcar, Ltd. Suite 303, 1819 Peachtree Road, N.E. Atlanta, Georgia 30309-1847 (Customer, hereinafter referred to as "Mortgagor") and

Deutsche Credit Corporation, 2333 Waukegan Road, Deerfield, Illinois 60015 (Lender & Secured Party, hereinafter referred to as "Mortgagee")

WITNESSETH:

1. To secure the payment of an indebtedness of Mortgagor to Mortgagee in the sum of One Million Three Hundred Eighteen Thousand Eighty Two and 80/100 DOLLARS (\$ 1,318,082.80),

which is hereby confessed and acknowledged, with interest thereon, all according to a certain promissory note or notes of even date herewith, and also to secure the payment, performance and fulfillment of any and all other obligations of the Mortgagor to Mortgagee, its heirs, successors, legal and personal representatives or assigns, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter arising, due or to become due (hereinafter referred to as "Obligations"), Mortgagor hereby grants, assigns, transfers, pledges, conveys and mortgages to Mortgagee the goods, chattels and property described herein, or on any schedule(s) annexed hereto, as follows:

Thirty (30) Railcars each described as: 100-ton, 7,000 cubic feet, drop bottom, open top, woodchip hopper cars, car marks numbers: Previous Marks UTBX 10100-10129 New Marks CNRR 10100-10129

all present and future attachments, accessions and additions thereto, substitutions, accessories and equipment therefor and replacements thereof, and any and all proceeds arising out of the sale, lease or other disposition thereof, all such goods, chattels, proceeds and property being, hereinafter called "Mortgaged Property", to have and to hold the same unto Mortgagee forever. Provided, however, that if the Mortgagor shall fully, timely and faithfully pay, perform and fulfill all said Obligations, time being of the essence hereof and of the said Obligations, then this Mortgage shall be void, but otherwise shall remain in full force and effect. *including, but not limited to the Lease Agreement dated July 8, 1991 between Mortgagor and Champion International Corporation,

2 Mortgagor agrees with and warrants to Mortgagee that all of the Obligations are acknowledged and declared to be secured by this Mortgage and that Mortgagor will fully and faithfully pay, perform and fulfill all of the Obligations, with late charges thereon from and after maturity, whether by acceleration or otherwise, at the highest contract rate provided by law, but not to exceed three (3) percent per month, or as otherwise provided for in the applicable debt instrument

3 Mortgagor further agrees with and warrants to Mortgagee that. (a) Mortgagor is the lawful owner of the Mortgaged Property and has the sole right and lawful authority to make this Mortgage, the Mortgaged Property and every part thereof is free and clear of all liens and encumbrances of every kind, nature and description (except any held by Mortgagee), and Mortgagor will warrant and defend the Mortgaged Property against all claims and demands of all persons

(b) Mortgagor will keep the Mortgaged Property free and clear of all attachments, levies, taxes, liens and encumbrances of every kind, nature and description, Mortgagor, at its own cost and expense, will keep the Mortgaged Property in a good state of repair, will not waste or destroy the same or any part thereof and will not be negligent in the care or use thereof, and Mortgagor will not sell, assign, mortgage, lease, pledge or otherwise dispose of the Mortgaged Property without the prior written consent of Mortgagee and any sale, assignment, mortgage, lease, pledge or other disposition without said consent shall be void ab initio and of no force and effect Mortgagee is hereby authorized to file one or more financing statements or a reproduction hereof as a financing statement.

(c) Mortgagor will insure the Mortgaged Property against loss or damage by fire and extended coverage perils, theft, burglary, and for any and all of the Mortgaged Property which are vehicles, by collision, and also, where requested by Mortgagee, against other risks, for the full insurable value thereof with companies, in amounts and under policies acceptable to Mortgagee, with loss payable to Mortgagee and Mortgagor as their interests may appear and Mortgagor shall, if Mortgagee so requires, deliver to Mortgagee policies or certificates of insurance evidencing such coverage. Each policy shall provide for ten (10) days prior written notice to Mortgagee of the cancellation or material modification thereof Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's Attorney-in-Fact to make claim for, receive payment of and execute and endorse all documents, checks or drafts received in payment for any loss or damage under any of said insurance policies and to execute any document or statement referred to therein

(d) Mortgagor will not remove the Mortgaged Property from its present location without the prior written consent of Mortgagee and at all times shall allow Mortgagee or its representative free access to and right of inspection of the Mortgaged Property, which shall remain personalty and not become part of any realty, and nothing shall prevent Mortgagee from removing same or so much thereof as Mortgagee, in its sole discretion may determine, from any premises to which it may be attached upon breach of this Mortgage, Mortgagor agrees to deliver to Mortgagee appropriate waivers, satisfactory to Mortgagee, of owners, landlords and/or mortgagees of any such premises ***use in woodchip service initial

(e) Mortgagor shall comply (so far as necessary to protect the Mortgaged Property and the lien of this Mortgage thereon) with all of the terms and conditions of leases covering the premises wherein the Mortgaged Property is located and with any orders, ordinances, laws or statutes of any city, state or other governmental department having jurisdiction with respect to the premises or the conduct of business thereon, and, where requested by Mortgagee, will correct any defaults and/or violation thereunder or execute any written instruments and do any other acts necessary to more fully effectuate the purposes and provisions of this instrument ***including all Interchange Rules of the AAR and any other applicable.

(f) Mortgagor will indemnify and save Mortgagee harmless from all loss, cost, damage, liability or expense including reasonable attorneys' fees that Mortgagee may sustain or incur to obtain or enforce payment, performance or fulfillment of any of the Obligations or in the enforcement or foreclosure of this Mortgage or proceeding either against Mortgagor or against Mortgagee concerning any matter growing out of or connected with this Mortgage and/or any of the Obligations and/or any of the Mortgaged Property.

(g) If Mortgagor is a corporation, the execution of this Mortgage has been duly consented to and authorized by all of the stockholders of Mortgagor and duly authorized by its Board of Directors Mortgagor agrees to deliver to Mortgagee evidence thereof satisfactory to Mortgagee immediately upon request

(h) Mortgagor hereby covenants and agrees to deliver to Mortgagee, as soon as practicable and in any event, within 120 days after the end of each fiscal year, a fully executed financial statement in reasonable detail, and with reasonable promptness such other financial information as may be reasonably requested by the Mortgagee. Such financial statement may be unaudited. initial

*except for the Lease Agreement dated July 8, 1991 between Mortgagor and Champion International Corporation **; except that Champion International Corporation may self-insure as provided in the Lease Agreement dated July 8, 1991

4 The terms, conditions and provisions contained herein, on the reverse side hereof, and those contained in any agreement(s) or schedule(s) referenced herein or annexed hereto constitute the entire agreement between the Mortgagor and Mortgagee.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed by a duly authorized representative on the day and year first above written

ATTEST: [Signature] Secretary (With us or Secretary)

Railcar, Ltd. [Signature] (Mortgagor) PRESIDENT (Title)

ADDENDUM TO A CERTAIN SECURITY AGREEMENT
MORTGAGE ON GOODS AND CHATTELS
DATED THE 8th DAY OF July, 1991
BY AND BETWEEN Railcar, Ltd.
AS MORTGAGOR, AND
DEUTSCHE CREDIT CORPORATION, AS MORTGAGEE

13. Mortgagee shall have the right to collect all sums due from the lessee(s) under the terms, conditions and provisions of the leases or rentals (hereinafter referred to as the "Agreement(s)") pledged herein to Mortgagee.
14. Mortgagor covenants, warrants and represents to Mortgagee that said Agreement(s) is, and will be, a valid obligation of Mortgagor and lessee(s) enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and except as enforcement is subject to general principals of equity (including but not limited to all matters of public policy), regardless of whether such enforceability is considered in a proceeding in equity or at law (the "Enforceability Caveat"); said Agreement(s) are, and were, duly and properly executed and/or entered into by an authorized representative(s) of lessee(s) and Mortgagor; the Mortgaged Property is, and has been, delivered and accepted by Mortgagor and lessee(s); the lessee(s) does not, and will not, have any claims, off-sets, counterclaims or defenses against Mortgagee, its successors or assigns under the terms of said Agreement(s); to the knowledge of the Mortgagor the security interests in the Mortgaged Property and Agreement(s) is, has been, and will be, properly perfected by Mortgagor as valid, first, prior, paramount, and enforceable (subject to the Enforceability Caveat) security interests; to the knowledge of Mortgagor, the description of the property leased under the Agreements, pledged under this Mortgage, or insured under any insurance policy, is, and will be, in compliance with the requirements, now or hereinafter in effect, of the applicable Uniform Commercial Code or similar law, or the insurance policy; the Mortgagee and its successors and assigns, as their interest may appear, are, and will be, named as loss payees with not less than thirty (30) days prior written notice of cancellation in any required insurance policy (except where Mortgagee has expressly approved self-insurance by a lessee); Mortgagor will strictly enforce the terms of said Agreement(s); Mortgagor will advise Mortgagee of any default under the Agreement(s), the repossession of any of the Mortgaged Property or of any matters materially adversely affecting: the financial condition of the lessee(s), or condition, use or care of the Mortgaged Property, or the security interest granted in the Agreement(s) and/or Mortgaged Property; the Agreement(s) pledged herein and/or the proceeds thereof have not been, and will not be assigned, sold, pledged, or otherwise granted as collateral to any other party; Mortgagor has performed, and will continue to perform its obligations and duties under the Agreement(s); and, Mortgagor has paid, and will continue to pay, any and all taxes related to the Agreement(s), the property leased thereon and as otherwise required to be paid by Mortgagor.
15. Mortgagor will not permit the lessee(s) to sell, lease, encumber or otherwise dispose of the Mortgaged Property, or any portion thereof or interest therein, without the prior written consent of the Mortgagee except as provided in the Lease Agreement dated the 8th day of July, 1991 between Mortgagor and Champion International Corporation. Any sale, lease, encumbrance or other disposition with, or without, the Mortgagee's required consent will be subject and subordinate to the security interest of Mortgagee.
16. Mortgagor covenants, warrants, and represents that, except as contemplated in the Agreement(s), the Mortgaged Property and the Agreement(s), will not be, sold, leased, encumbered or otherwise disposed of, or any portion thereof or interest therein, by Mortgagor, its successors, assigns, agents, or legal or personal representatives without the prior written consent of Mortgagee. Any sale, lease, encumbrance or other disposition with, or without, the Mortgagee's required consent will be subject and subordinate to the security interest of the Mortgagee.
17. Except as contemplated in the Agreement(s), any assignment, sale, lease or other disposition of the Mortgaged Property and/or the Agreement(s) without the required consent of the Mortgagee shall be, ab initio, null and void and of no force and effect.

18. Mortgagor covenants, warrants and represents that any lessee(s) of Mortgagor and of Mortgagor's lessee(s) will acknowledge that their respective interests are subject and subordinate to the security interest of Mortgagee (subject to quiet enjoyment absent default) and that said lessee(s) will further acknowledge that Mortgagee is not responsible for the performance of any maintenance agreements and/or other obligations of any other party relating to the Mortgaged Property.
19. Mortgagee agrees, so long as Mortgagor is not in default of its obligation(s) to Mortgagee, that the lessee(s) shall have quiet use and enjoyment of the Mortgaged Property.
20. Mortgagee shall have the right to inspect, from time to time, the books and records of Mortgagor evidencing payments from the lessee(s) to Mortgagor.
21. In consideration for the loan evidenced herein and other good and valuable consideration, the receipt of which is acknowledged by Mortgagor, the Mortgagor, in the event of Mortgagor's default hereunder, appoints, and by these presents does hereby irrevocably appoint, Mortgagee as its attorney-in-fact, coupled with an interest, for the executing and filing of any financing statements, or any loan or other documents with the Interstate Commerce Commission in Accordance with 49 U.S.C. Section 11303, or other documentation evidencing the perfection, continuance or assignment of the security interest; notifying the lessee(s) and the respective successors and assigns of the lessee(s) to make payments under the Agreement(s) to the Mortgagee; to collect, apply for, or settle any insurance claim; or to file, prepare or execute any documentation or take whatever steps deemed necessary by Mortgagee to protect or enforce the security interest in the Mortgaged Property, the Mortgaged Property itself, and/or the Agreement(s).
22. Mortgagor hereby agrees to indemnify Mortgagee for any loss or damages, court costs, filing fees and attorneys' fees suffered, or incurred, by Mortgagee in the enforcement of the terms, conditions and provisions of this Mortgage, the defense of any Agreement(s) pledged hereunder, or any security interest in the Mortgaged Property or Agreements.
23. Mortgagor warrants, represents and covenants that, in the event that any Lessee(s) on any Agreements(s) pledged herein exercises a purchase option in the Agreement(s), Mortgagor shall make a corresponding reduction in the principal balance of the loan secured by this Security Agreement together with the payment of the corresponding accrued but unpaid interest thereon.
24. Any reference to attorneys' fees herein shall mean reasonable attorneys' fees actually incurred
25. Any rights of Mortgagee pursuant to Paragraphs 3(f), 6, 7 (to the extent identified by asterisk ("*")), 8, 9 and 22 shall not inure to and be exercisable by Mortgagee unless and until Mortgagee shall have given Mortgagor written notice of any event or circumstance giving rise to such rights and Mortgagor shall have failed to cure same within ten (10) days thereafter (thirty (30) days if for other than nonpayment)

Railcar, Ltd.

Mortgagor

By: Willy J. Pinner

Title: PRESIDENT

STATE OF GEORGIA)
COUNTY OF FULTON)

On this 9th day of July, 1991, before me, the subscriber, Joyce E. Cornelius, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Wilds L. Pierce to me personally known, who stated and acknowledged that he is, the President of Railcar Ltd., a Georgia corporation, and duly authorized by authority of the Board of Directors or By-Laws of said corporation in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said corporation and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I hereunto set my hand and official seal
this 9th day of July, 1991

Joyce E. Cornelius
NOTARY PUBLIC

My commission expires: May 30, 1992