

CUSHING, MORRIS, ARMBRUSTER & JONES

ATTORNEYS AT LAW

2110 PEACHTREE CENTER CAIN TOWER

229 PEACHTREE STREET, N.E.

ATLANTA, GEORGIA 30303

WRITER'S DIRECT DIAL NUMBER:

(404) 614-8105

July 19, 1996

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404 522-0607

W. HAMPTON MORRIS
CHARLES M. CUSHING, JR.
KEVIN R. ARMBRUSTER
ROY M. JONES
WILLIAM M. ELLARD
SHAWN R. HOLTZCLAW
LARRY C. OLDHAM
NICHOLAS J. COOK

17425-D
RECORDED
JUL 22 1996

JUL 22 1996 12:48 PM

JUL 22 12 48 PM '96

RECEIVED
SURFACE TRANSPORTATION
BOARD

VIA UPS

Secretary
Surface Transportation Board
Room 2311
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423
Attn: Ms. Janice Fort

Re: Assumption Agreement and Consent of Lender

Dear Ms. Fort:

On behalf of Deutsche Financial Services Holding Corporation, I submit for filing and recording under 49 U.S.C. § 11303, executed counterparts of a secondary document, not previously recorded, entitled Assumption Agreement and Consent of Lender (the "Assumption Agreement") dated July 16, 1996.

The parties to the enclosed Assumption Agreement are:

Railcar, Ltd. Assignor/Debtor
Suite 315
1819 Peachtree Road, N.E.
Atlanta, Georgia 30309-1847

The First National Bank of Maryland Assignee/Debtor
25 South Charles Street
Baltimore, Maryland 21201

Deutsche Financial Services Holding Corporation Lender
2333 Waukegan Road
Bannockburn, Illinois 60015

The Assumption Agreement, among other things, provides for the assumption by The First National Bank of Maryland of certain obligations of Railcar, Ltd. under the Security Agreement Mortgage on Goods and Chattels dated July 8, 1991 recorded under Recordation No. 17425 and

Surface Transportation Board
July 19, 1996
Page 2

the related Assignment of Lease dated July 8, 1991 recorded under Recordation No. 17425B. The Assumption Agreement should be recorded under the next available letter under Recordation No. 17425.

The equipment covered by the enclosed Assumption Agreement is the equipment covered by the above-referenced Security Agreement Mortgage on Goods and Chattels and related Assignment of Lease.

A short summary of the Assumption Agreement to appear in the STB Index is as follows:

"Assumption of certain obligations of debtor under security agreement under 17425 and under related assignment of lease."

Enclosed is a check for \$21 to the Surface Transportation Board in payment of the filing fee.

Once the filing has been made, please return to me (at the address on the letterhead above) the stamped original of the document, together with the fee receipt, the letter from the STB acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,



William M. Ellard

WME/lf

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20427-0001

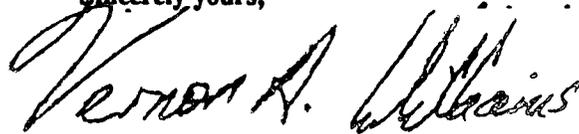
7/22/96

William M. Ellard
Cushing, Morris, Armbruster & Jones
2110 Peachtree Center Cain Tower
229 Peachtree Street, NE
Atlanta, Georgia 30303

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 7/22/96 at 12:55PM, and assigned recordation number(s). 17425-D and 18901-M.

Sincerely yours,

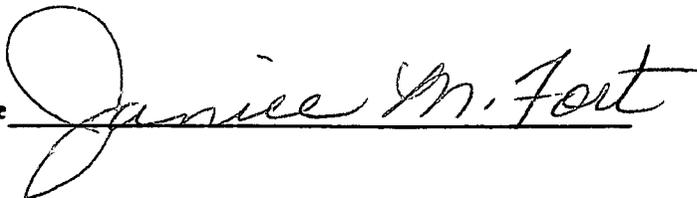


Vernon A. Williams
Secretary

Enclosure(s)

\$ 42.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



RECORDATION NO. 17425-D FILED 1425
JUL 22 1996 12:55 PM

ASSUMPTION AGREEMENT AND CONSENT OF LENDER COMMERCIAL COMMISSION

This Assumption Agreement and Consent of Lender ("Agreement") is entered into this 16th day of July, 1996, by and between The First National Bank of Maryland ("FM"), Railcar, Ltd., a Georgia corporation ("RL"), with its place of business at 1819 Peachtree Road, N.E., Atlanta, Georgia, and Deutsche Financial Services Holding Corporation, a Delaware corporation ("DFSH"), with its place of business at 2333 Waukegan Road, Bannockburn, Illinois.

RECITALS

R1. RL, by virtue of a Promissory Note dated July 8, 1991 (the "Note"), in the original principal amount of \$1,318,082.80, made payable to DFSH, is indebted to DFSH, pursuant to the terms thereof.

R2. The Note is secured by thirty (30) wood chip hopper railcars (the "Railcars"), as described in and according to that certain Security Agreement Mortgage on Goods and Chattels dated July 8, 1991 and the Addendum thereto (the "Security Agreement").

R3. The Note is further secured by that Assignment of Lease dated July 8, 1991 (the "Assignment"), concerning the Lease Agreement dated July 8, 1991 (the "Lease") by and between RL as Lessor and Champion International Corporation ("Champion") as Lessee.

R4. An Acknowledgment of Lease Assignment with respect to the Assignment was executed by Champion on July 8, 1991 (the "Acknowledgment").

R5. The Security Agreement and the Assignment were recorded with the Interstate Commerce Commission on July 10, 1991, bearing recordation numbers 17425 and 17425B, respectively.

R6. RL has entered into an agreement with FM whereby RL will assign to FM all of its right, title and interest in and to the Lease and transfer ownership of the Railcars to FM, and RL and FM now seek the consent of DFSH to the proposed assignment of right, title and interest in and to the Lease and the transfer of ownership of the Railcars.

R7. DFSH is willing to consent to the assignment by RL to FM of all of its right, title and interest in and to the Lease and transfer of ownership of the Railcars from RL to FM upon the conditions set forth below.

In consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Assumption of Obligations. FM, in consideration of the consent of DFSH to RL's assignment to FM of RL's right, title and interest in and to the Lease, which FM agrees shall be subject to and subordinate to the Security Agreement, the Assignment and the Acknowledgment and to all of the rights of DFSH thereunder, until such time as all rentals payable under the Lease

to DFSH, in accordance with the Lease and the Assignment are paid in full, or DFSH, in the event of a default by Champion under the Lease, has fully exercised its rights under the Lease, in accordance with the Assignment and the Acknowledgment, and in consideration of the consent of DFSH to the transfer of ownership of the Railcars from RL to FM, agrees to assume all obligations of RL pursuant to the Note, the Security Agreement, the Assignment, and the Acknowledgment, except as follows:

- (a) FM shall have no liability for payment of principal and interest due under the Note;
- (b) FM shall have no liability for any and all costs, liabilities, and expenses, including attorneys' fees, arising from DFSH's exercise of rights under the Lease, Note, Security Agreement, or Assignment upon an event of default by Champion under the Lease;
- (c) FM shall have no liability for any deficiency balance which may be suffered by DFSH subsequent to its exercise of rights as set forth in (b), above;
- (d) FM shall have no liability for any casualty shortfall DFSH may suffer from any casualty loss to any of the Railcars. Specifically, if any of the Railcars suffers a casualty, as that term is defined in the Lease, FM shall have no liability for any shortfall between the amount owing to DFSH on one or more of the Railcars and the casualty value for said Railcar(s) according to the casualty value schedule in the Lease (or the amount payable by the handling railroad for the casualty);
- (e) FM shall have no liability under Paragraph 3(b) of the Security Agreement except to the extent any attachments, levies, taxes, liens, and encumbrances, or any sale, assignment, mortgage, lease, pledge, or other disposition of the Mortgaged Property without the prior written consent of Mortgagee, is attributable to FM's own actions;
- (f) FM shall have no liability under Paragraph 3(c) or 3(e) of the Security Agreement;
- (g) The financial information that FM is obligated to provide under Paragraph 3(h) of the Security Agreement shall be limited to FM's annual report (which includes audited financial statements);
- (h) As to FM, the provisions of Paragraph 14 of the Security Agreement and the provisions of the third literary paragraph on page one of the Assignment, shall apply prospectively only. FM shall have no liability for any breach of those provisions to the extent attributable to acts, omissions, or other matters on or before the date of this Agreement;
- (i) FM shall have no liability for any of the foregoing amounts and obligations as they may be owing to DFSH pursuant to the terms of the Note, Security Agreement, Assignment, and Acknowledgment.

2. Continued Liability of RL. RL hereby agrees, in consideration of DFSH's consent to the assignment of all of RL's right, title and interest in and to the Lease to FM, which RL also agrees shall be subject to and subordinate to the Security Agreement, the Assignment and the Acknowledgment and all of the rights of DFSH thereunder, until such time as all rentals payable under the Lease to DFSH, in accordance with the Lease and the Assignment are paid in full, or DFSH, in the event of a default by Champion under the Lease, has fully exercised its rights under the Lease, in accordance with the Acknowledgment and the Assignment, and in consideration of the consent of DFSH to the transfer of ownership of the Railcars from RL to FM, that is shall continue to be liable to DFSH, all in accordance with the Note, the Security Agreement, the Assignment, and the Acknowledgment, except as follows:

- (a) RL shall have no liability for payment of principal and interest due under the Note from the date of this Agreement, except that RL shall be personally liable to DFSH for any interest under the Note that has accrued as a result of one or more late payments on the Note ("Late-Payment Interest") and that remains unpaid at the end of the term of the Note (RL shall not, however, be liable for Late-Payment Interest if DFSH declares the Note in default and exercises its rights in the collateral before the end of the term of the Note);
- (b) RL shall have no liability for any and all costs, liabilities, and expenses, including attorneys' fees, arising from DFSH's exercise of rights under the Lease, Note, Security Agreement, or Assignment upon an event of default by Champion under the Lease (this paragraph (b) does not limit any recourse that DFSH may have against RL under Paragraph 3(f) of the Security Agreement for indemnification with respect to claims by third parties that are otherwise within the purview of this paragraph (b));
- (c) RL shall have no liability for any deficiency balance which may be suffered by DFSH subsequent to its exercise of rights as set forth in (b), above;
- (d) RL shall have no liability for any loss suffered by DFSH as a result of a Railcar being reclassified as a Withdrawn Car, as that term is defined in Paragraph 28(d) of the Lease;
- (e) RL shall have no liability under Paragraph 3(c) of the Security Agreement. RL shall, however, upon DFSH's request, furnish DFSH with evidence of such liability insurance coverage, including, as applicable, self-insurance, as RL maintains with respect to the Railcars pursuant to the Full Service and Refurbishment Agreement dated July 8, 1991, between RL and Champion;
- (f) RL may satisfy its obligations under Paragraph 3(h) of the Security Agreement to provide financial information by providing Mortgagee with the annual consolidated financial statements of RL's parent corporation, Progress Rail Services Corporation (which statements include a balance sheet and related statement of income);
- (g) As to RL, the provisions of Paragraph 14 of the Security Agreement and the provisions of the third literary paragraph on page one of the Assignment shall apply retroactively only. RL

shall have no liability for any breach of those provisions to the extent attributable to acts or omissions or other matters after the date of this Agreement;

(h) RL shall have no liability for any of the foregoing amounts and obligations as they may be owing to DFSH pursuant to the terms of the Note, Security Agreement, Assignment, and Acknowledgment.

3. No Prepayment of the Note. There shall be no privilege to prepay the Note except (a) as expressly provided in the Note as originally executed by RL as Maker (including without limitation the provisions concerning prepayment upon a casualty to any of the Railcars subject to the Lease), and (b) upon a default by Champion under the Lease. Such permitted prepayments shall be without premium or penalty; provided, however, nothing in this section 3 shall limit the rights of DFSH to collect default interest as provided in the Note upon an event of default thereunder.

4. Guaranty of RL's Obligations. In consideration of the consent of DFSH to the assignment by RL to FM of all of RL's right, title and interest in and to the Lease, which shall be subject and subordinate to the Security Agreement, the Assignment and the Acknowledgment, and to the rights of DFSH thereunder, until all assigned rentals payable to DFSH have been received by them, or until DFSH has exercised all of its rights under the Lease, pursuant to the Assignment and the Acknowledgment, and in consideration of the consent of DFSH to the transfer of ownership of Railcars from RL to FM, the Guaranty of Progress Rail Services, an Alabama corporation ("PRS"), for the obligations of RL, except as modified herein, shall be delivered by PRS to DFSH contemporaneously herewith.

5. Consent and Further Agreement by DFSH. In consideration of the above, DFSH consents to the assignment of all right, title and interest in and to the Lease by RL to FM, and further consents to the transfer of ownership by RL to FM of the Railcars. DFSH represents, warrants, and agrees to and with FM that (i) to the knowledge of DFSH, no event of default and no event which, with the passing of time or the giving of any notice or both, would constitute an event of default, has occurred and is continuing under the Note, Security Agreement, or Assignment, (ii) as of the date hereof, the outstanding principal amount of the Note is \$1,080,978.80, and there are 120 monthly installments of principal and interest each in the amount of \$14,700 remaining to be paid under Note, (iii) subject to the terms and conditions of this Agreement (and assuming all payments under the Note have been made when due and the Note is not otherwise then in default), FM will be entitled to receive rental payments of \$490 per Car on August 8, 2006 and September 8, 2006 and all other payments due the lessor under the Lease on and after August 8, 2006, and (iv) subject to the terms and conditions of this Agreement (and assuming all payments under the Note have been made when due and the Note is not otherwise then in default), the balance (if any) of any proceeds with respect to a casualty to any Railcar after application to accrued interest on the Note and a pro rata repayment of principal shall be paid to FM. Contemporaneously herewith, DFSH shall (i) execute a Modification Agreement ("Modification") in the form attached hereto (which instrument limits DFSH's recourse against FM and RL as provided hereinabove), and such other documentation as may be reasonably requested by FM

and/or RL in connection herewith, in accordance with the terms hereof, (ii) attach the executed original of the Modification to the original of the Note, and (iii) mark the original of the Note, at the top or in some other conspicuous place, with a legend substantially as follows: "With the consent of Holder, the obligations of the original Maker of this Note, Railcar, Ltd. ("LTD"), have been assumed by The First National Bank of Maryland ("FM"), and Holder has executed a Modification Agreement dated July 16, 1996, limiting Holder's recourse against FM and LTD (and their respective successors and assigns)."

6. Representations and Warranties by FM. FM hereby represents and warrants to DFSH, with respect to this Assumption Agreement and Consent of Lender, as of the date of execution by FM hereof, that:

(a) Organization; Good Standing; Authority. FM is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America. FM has corporate power and authority to carry on its business as it is now being conducted and to own the property and assets it now owns. FM has the corporate power and authority to enter into, perform the obligations by FM under, and consummate the transactions contemplated by this Agreement. The execution, delivery and performance of this Agreement by FM have been duly and validly authorized and approved by all requisite corporate action, including all required approvals of FM's directors and shareholders. Except as limited by bankruptcy, insolvency, public policy, usury, reorganization, moratorium, or other laws affecting enforcement of creditors' rights generally, and except as the remedy of specific performance or of injunctive or other equitable relief is subject to the discretion of the court before which any proceeding therefor is brought, this Agreement constitutes the valid and binding obligation of FM, enforceable against FM in accordance with its terms. Neither the execution nor the delivery of this Agreement, nor the compliance with or fulfillment of the terms of the provisions of this Agreement will (a) violate or conflict with the provisions of FM's Articles of Incorporation or Bylaws; (b) violate, conflict with, constitute a breach of default under the provisions of any indenture, agreement, judgment, decree, order, governmental permit or license, or other instrument to which FM is a party or by which FM is bound, or (c) require any affirmative approval, consent, authorization or other order, or action of any court, governmental authority or regulatory body or of any creditor of FM, except as specifically contemplated by this Agreement or for such approvals as shall have been obtained prior to the execution of this Agreement.

(b) Absence of Liens and/or Encumbrances. The right, title and interest of FM acquired from RL in and to the Lease and the transfer of ownership of the Railcars from RL to FM is being made free of any liens and/or encumbrances of any kind, voluntary or otherwise, against FM, and in the event any lien and/or encumbrance is placed upon Railcars by any creditor of FM, FM shall, at its own expense, take all necessary action to remove any lien and/or encumbrance from the Railcars

(c) Disclosure. No representation or warranty by FM and no statement or certificate furnished or to be furnished to DFSH pursuant to the provisions of this Agreement or made by FM in

connection with the contemplated transactions contains or will contain any untrue statement of a material fact.

7. Representations and Warranties by RL. Without impairing any representations and warranties under the Note, the Security Agreement, the Assignment, and the Acknowledgment (as modified hereinabove -- see, e.g., section 2(g) above), RL hereby represents and warrants to DFSH, with respect to this Assumption Agreement and Consent of Lender, as of the date of execution hereof by RL, that:

(a) Organization; Good Standing; Authority. RL is a corporation duly organized, validly existing and in good standing under the laws of the State of Georgia. RL has the corporate power and authority to carry on its business as it is now being conducted and to own the property and assets it now owns. RL has the corporate power and authority to enter into, perform the obligations by RL under, and consummate the transactions contemplated by this Agreement. The execution, delivery and performance of this Agreement by RL have been duly and validly authorized and approved by all requisite corporate action, including all required approvals of RL's directors and shareholders. Except as limited by bankruptcy, insolvency, public policy, usury, reorganization, moratorium, or other laws affecting enforcement of creditors' rights generally, and except as the remedy of specific performance or of injunctive or other equitable relief is subject to the discretion of the court before which any proceeding therefor may be brought, this Agreement constitutes the valid and binding obligation of RL, enforceable against RL in accordance with its terms. Neither the execution nor the delivery of this Agreement, nor the consummation of the transactions contemplated by this Agreement, nor the compliance with or fulfillment of the terms of the provisions of this Agreement will (a) violate or conflict with the provisions of RL's Articles of Incorporation or Bylaws; (b) violate, conflict with or constitute a breach of or default under the provisions of any indenture, agreement, judgment, decree, order, governmental permit or license, or other instrument to which RL is a party or by which RL is bound; (c) result in the imposition of any lien, charge or encumbrance on any interest transferred; or (d) require any affirmative approval, consent, authorization or other order, or action of any court, governmental authority or regulatory body or of any creditor of RL, except as specifically contemplated by this agreement or for such approvals as shall have been obtained prior to the execution of this Agreement.

(b) Disclosure. No representation or warranty by RL and no statement or certificate furnished or to be furnished by RL to DFSH pursuant to the provisions of this Agreement or made by RL in connection with the contemplated transactions contains or will contain any untrue statement of a material fact.

(c) Sole Owner, etc. RL is the sole owner of the Railcars, free and clear of all liens and encumbrances (except as provided in the Security Agreement and the Assignment and except for any liens attributable to Champion or anyone acting by, through, or under Champion) RL is the sole lessor under the Lease, and (except as provided in the Security Agreement and the Assignment) RL has the sole right to assign its interest in the Railcars and the Lease to FM.

(d) No Default, Casualty, or Prepayment. The Lease is in full force and effect, enforceable in accordance with its terms, and, to the knowledge of RL, no event of default and no event which, with the passing of time or the giving of any notice or both, would constitute an event of default, has occurred and is continuing under the Lease. In particular, without limiting the generality of the foregoing, to the knowledge of RL, there does not exist (a) any Event of Default (under and as defined in the Lease), (b) any condition, act or event which, with the giving of notice or the lapse of time, or both, would constitute any such Event of Default, (c) any Casualty Occurrence (under and as defined in the Lease), (d) any condition, act or event which, with the giving of notice or the lapse of time, or both, would constitute any such Casualty Occurrence, or (e) any condition, act, event or circumstance that would give rise to any indemnity under the Lease. Champion has not prepaid any rent or other obligation owing to RL under the Lease.

(e) No Other Conveyance; Title to Railcars. Except as provided in the Security Agreement and the Assignment, RL has not previously assigned or purported to assign any of the rights, title or interests of RL to be assigned to FM. Upon the occurrence of the assignment to FM, FM will acquire from RL good and marketable title to the Railcars and all of the rights, title and interests being assigned to FM, free and clear of all liens and encumbrances (except as provided in the Security Agreement and the Assignment and except for any liens attributable to Champion or anyone acting by, through, or under Champion).

(f) No Waiver. RL has not knowingly acted or failed or admitted to act so as to waive, release or discharge any of its rights, title or interest in, to or under the Lease.

(g) No Violation of Security Agreement or Assignment. RL is not as of the date of this Agreement in violation of any terms, conditions, representations, warranties and/or covenants of the Note, the Security Agreement or the Assignment.

(h) Enforceability. RL is not in violation of the terms of the Lease and has no knowledge that Champion is in violation thereof

(i) Signatures, etc. RL has no knowledge that any of the signatures, names or addresses provided by Lessee contained in the Lease is untrue, incorrect or other than what is purports to be.

(j) No Dispute or Repudiation. RL has not received any notice from Lessee disputing or repudiating any obligation of Lessee arising under the Lease.

(k) Not Subject to Bulk Sales. The transactions contemplated hereby do not constitute a bulk transfer under the applicable provisions of the Uniform Commercial Code as adopted in Georgia.

(l) Compliance with Laws. On the date of this Agreement, the operation or the use of the Railcars, for which title shall pass to FM, will not, to the knowledge of RL, be in violation of any law, ordinance, regulation, or order, which violation would adversely affect the use of the Railcars in unrestricted interchange service in the United States.

(m) Interchange Condition. On the date of this Agreement, all Railcars for which title shall pass to FM, will, to the knowledge of RL, be in interchange condition under the rules of the Association of American Railroads and will be in a condition suitable for placement to load (except for any Railcar undergoing routine repair and maintenance).

(n) Lease. A true, complete and correct copy of the Lease, the only original of which is held by DFSH, and all amendments or modifications thereto is attached hereto.

(o) Repair Work. To the knowledge of RL, the repair work, if any, contemplated by the Lease has been completed in accordance with the scope of the work agreed upon by RL and Champion.

(p) Acceptance of Railcars. The Railcars have been delivered and deemed accepted by the Lessee under the terms and conditions of the Lease prior to the date hereof.

(q) Litigation. No action, suit or proceeding is pending, or to RL's knowledge threatened, before any court or administrative or governmental body to restrain, enjoin, or question the consummation of the transactions described herein, nor is there any such action, suit or proceedings which, if adversely determined, could have a material adverse affect upon RL's ability to perform its obligations under this Agreement or any of the other documents entered into by RL in connection with the assignment of right, title and interest in and to the Lease to FM and the transfer of ownership of the Railcars to FM, or to RL's knowledge, upon the Railcars or the Lease, and no order, decree, judgment or stipulation has been issued by any federal, state or local, judicial or regulatory authority in any such proceeding to which RL is or was a party.

8. Survival. All representations, warranties, and agreements made by the parties in this Agreement and pursuant to the terms hereof shall survive the consummation of the assignment of all right, title and interest in and to the Lease from RL to FM, and the transfer of ownership of the Railcars from RL to FM, and shall continue in full force and effect forever thereafter, subject to any applicable statute of limitations.

9. Further Acts. In connection with this Agreement and the contemplated assignment of all right, title and interest in and to the Lease from RL to FM, and the contemplated transfer of ownership of the Railcars from RL to FM, FM and RL will from time to time better effectuate the transactions contemplated herein, execute such additional documents and take such other acts as may reasonably be requested by DFSH, in its sole discretion.

10. Expenses. Whether or not the transactions described in this Agreement are consummated, RL agrees to pay all of its own expenses in connection with the contemplated transactions, and also agrees to pay DFSH a fee in the amount of \$5,000.00 payable on or before the closing date for the contemplated transactions, and all of DFSH's attorneys' fees and filing costs incurred in connection with providing its consent to the contemplated transactions

11. Miscellaneous. The Note, the Security Agreement and the Assignment, and all other documents previously entered into by RL and DFSH, or executed by RL for the benefit of DFSH,

except as modified herein and in any other document or other agreement referenced herein, including, the Modification of Note, remain in full force and effect. This Agreement may not be modified in any manner nor may any rights herein or in the other agreements and documents referenced in this paragraph be waived except by an instrument in writing signed by all parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Wherever the context requires or permits, the masculine, feminine, or neuter gender shall include the other two genders, and the singular shall include the plural and vice versa. "Including" means including without limitation. The section headings set forth herein are for convenience of reference only and shall not be used in interpreting this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original all of which together shall constitute one and the same instrument. This Agreement shall be recorded with the Surface Transportation Board in Washington, D.C., and a filed stamped recorded copy shall be returned to DFSH.

EXECUTED as of the date first written above.

RAILCAR, LTD.

THE FIRST NATIONAL BANK OF MARYLAND

By: Willy L. Pirion
Name/Title: WILLY L. PIRION / President

By: Roger Weaver
Name/Title: Roger Weaver / Asst. Vice President

DEUTSCHE FINANCIAL SERVICES
HOLDING CORPORATION

By: _____
Name/Title: _____

except as modified herein and in any other document or other agreement referenced herein, including, the Modification of Note, remain in full force and effect. This Agreement may not be modified in any manner nor may any rights herein or in the other agreements and documents referenced in this paragraph be waived except by an instrument in writing signed by all parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Wherever the context requires or permits, the masculine, feminine, or neuter gender shall include the other two genders, and the singular shall include the plural and vice versa. "Including" means including without limitation. The section headings set forth herein are for convenience of reference only and shall not be used in interpreting this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original all of which together shall constitute one and the same instrument. This Agreement shall be recorded with the Surface Transportation Board in Washington, D.C., and a filed stamped recorded copy shall be returned to DFSH.

EXECUTED as of the date first written above.

RAILCAR, LTD.

THE FIRST NATIONAL BANK OF MARYLAND

By: _____
Name/Title: _____

By: _____
Name/Title: _____

DEUTSCHE FINANCIAL SERVICES
HOLDING CORPORATION

By: Robert A. Lopez [Signature]
Name/Title: V.P. AVP-Credit

ACKNOWLEDGMENT

STATE OF GEORGIA, COUNTY OF FULTON

On July 16, 1996, before me personally appeared Wilds L. Pierce, to me personally known, who being by me duly sworn says that he is President of the Railcar, Ltd., a Georgia corporation, and that he executed the foregoing instrument 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


Notary Public

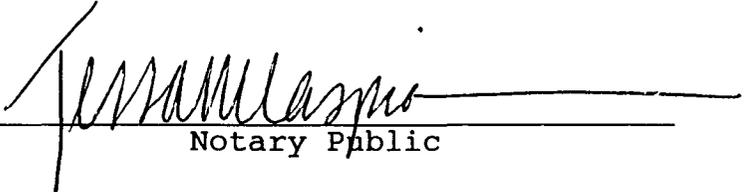
My commission expires: Notary Public, Coweta County, Georgia
My Commission Expires March 30, 1999

[NOTARIAL SEAL]

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 16th day of July, 1996, before me, the undersigned, a Notary Public of the State of Maryland, personally appeared Roger Weaver, the Asst. Vice President of THE FIRST NATIONAL BANK OF MARYLAND, a national banking association, known (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized Assistant V.P. of said Bank by signing the name of the Bank by himself/herself as Assistant V.P..

AS WITNESS my hand and notarial seal.



Notary Public

My Commission Expires:

TESSA M LASPIA
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires April 20, 1998

ACKNOWLEDGMENT

STATE OF Illinois)
)
COUNTY OF Lake)

On this 17th day of July, 1996, before me, the subscriber, Steven P. Ordez, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Robert A. P. and Patrick Muzzanti, to me personally known, who stated and acknowledged that he is the VP, AVP, respectively of Deutsche Financial Services Holding Corporation, a Delaware 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 17th day of July, 1996.

Steven P. Ordez
NOTARY PUBLIC

My commission expires: _____

