Rec. No. 10257-C

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RECORDATION NO. ..... Filed 1425
MAY 3 1979 - 3 10 PM
INTERSTATE COMMERCE COMMISSION
10342
RECORDATION NO. ..... Filed 1425
MAY 3 1979 - 3 10 PM
INTERSTATE COMMERCE COMMISSION

April 30, 1979

S 123020

No. [redacted]
Date [redacted] 1979
Fee $60.00
ICC Washington, D. C.

Secretary
Interstate Commerce Commission
Washington, D. C.

Dear Sir:

Enclosed for recordation pursuant to the provisions of Section 11303(a) of Title 49 of the United States Code and the rules and regulations thereunder are one counterpart each of Limited Recourse Promissory Note-Security Agreement dated April 30, 1979 and Amendment to Agreement of Lease dated April 30, 1979.

The Agreement of Lease dated April 3, 1979 to which one of the enclosed documents is an amendment was recorded at 12:30 p.m. on April 4, 1979 and assigned Recordation Number 10254-A.

A general description of the railroad equipment covered by the enclosed documents is, as follows:

> Fifty (50) 100-ton open top hopper cars, NW Class H-12, bearing identifying marks and numbers UMP 6100 through UMP 6149, both inclusive.

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

A. Limited Recourse Promissory Note-Security Agreement:

PAYOR or DEBTOR	Refco Rail Equipment, Inc. 39 South LaSalle Street Chicago, Illinois 60603
PAYEE or SECURED PARTY	Funding Systems Railcars, Inc. 1000 RIDC Plaza Pittsburgh, Pennsylvania 15238

B. Amendment to Agreement of Lease:

LESSOR	Refco Rail Equipment, Inc. 39 South LaSalle Street Chicago, Illinois 60603
LESSEE	Funding Systems Railcars, Inc. 1000 RIDC Plaza Pittsburgh, Pennsylvania 15238

C. F. Kappler

The undersigned is agent for the Payee/Lessee mentioned in the enclosed documents for the purpose of submitting the enclosed documents for recordation and has knowledge of the matters set forth therein.

Also enclosed is a remittance in the amount of $60 in payment of recordation fees.

Very truly yours,

ALVORD AND ALVORD
as Agent for FUNDING SYSTEMS
RAILCARS, INC.

By Charles T. Kappler
Charles T. Kappler

RECORDATION NO. 10342 Filed 1425
MAY 8 1979 - 3 10 PM
INTERSTATE COMMERCE COMMISSION

Copy 2

LIMITED RECOURSE PROMISSORY NOTE & SECURITY AGREEMENT

$1,690,000 Date: April 30, 1979

FOR VALUE RECEIVED, the undersigned, REFCO RAIL EQUIPMENT, INC., a Delaware corporation having its principal office and place of business at 39 South LaSalle Street, Chicago, Illinois 60603 ("Payor or "Debtor"), promises to pay to FUNDING SYSTEMS RAILCARS, INC., a Delaware corporation having its principal office and place of business at 1000 RIDC Plaza, Pittsburgh, Pennsylvania 15238 ("Payee" or "Secured Party"), the principal sum of $1,690,000, together with interest thereon at the rate of 11% per annum. Subject to the provisions with respect to acceleration contained in Section 6 below and the provisions with respect to prepayment and deferral set forth in Section 5 below, this Note shall be payable in 142 consecutive combined monthly payments of principal and interest in the amount of $21,329.46 each, with the first monthly payment due and payable on January 31, 1983 and each subsequent monthly payment due and payable on the last day of each month thereafter up to and including October 31, 1994. Interest on the principal of this Note for the period from the date hereof through April 30, 1979 in the amount of $3,098.33 shall be payable on April 30, 1979 (it being acknowledged, however, that $3,000 thereof has been simultaneously paid herewith by certified or cashier's check or wire transfer) and interest for the period from May 1, 1979 through December 31, 1982 shall be payable in 44 consecutive installments of $15,491.67 each payable on the last day of each month commencing May 31, 1979 (it being hereby acknowledged, however, that $15,250 of each of the first eight monthly interest payments has been paid simultaneously herewith by cashier's or certified check or by wire transfer); provided, however, that $9,666.67 of each such interest payment to be made hereunder on January 31, 1980 and on the last day of each of the eleven months thereafter shall be paid to Payee, simultaneously with the execution and delivery of this Note, by the delivery to Payee on the date hereof of a promissory note of even date of Payor to the order of Payee each in the principal amount of $116,000 (the "First Recourse Note") (it being understood and agreed that, as a result of this proviso, and in addition to the payments to be made by Payor to Payee pursuant to the First Recourse Note, on January 31, 1980 and on the last day of each of the eleven months next following January 31, 1980, Payor shall only be obligated to pay to Payee $5,825); provided further, however, that $9,250 of each such interest payment to be made hereunder on January 31, 1981 and on the last day of each of the eleven months thereafter shall be paid to Payee,

simultaneously with the execution and delivery of this Note, by the delivery to Payee on the date hereof of a promissory note of even date of Payor to the order of Payee in the principal amount of $111,000 (the "Second Recourse Note") (it being understood and agreed that, as a result of this proviso, and in addition to the payments to be made by Payor to Payee pursuant to the Second Recourse Note, on January 31, 1981 and on the last day of each of the eleven months next following January 31, 1981, Payor shall only be obligated to pay to Payee $6,241.67); provided further, however, that $8,833.33 of each such interest payment to be made hereunder on January 31, 1982 and on the last day of each of the eleven months thereafter shall be paid to Payee, simultaneously with the execution and delivery of this Note, by the delivery to Payee on the date hereof of a promissory note of even date of Payor to the order of Payee in the principal amount of $106,000 (the "Third Recourse Note") (it being understood and agreed that, as a result of this proviso, and in addition to the payments to be made by Payor to Payee pursuant to the Third Recourse Note, on January 31, 1982 and on the last day of each of the eleven months next following January 31, 1982, Payor shall only be obligated to pay to Payee $6,658.34). Except for payments under the Recourse Notes, each payment under this Note shall first be applied to interest which shall have accrued, but not have been paid hereunder at the time of the making of such payment, and the balance, if any, of each such payment shall be applied to reduce the then outstanding principal balance hereof. Each of the payments to be made under the Recourse Notes shall be deemed to have been made, in equal proportionate amounts, on the last day of each of the months in respect of which such payment is to be made.

1. Background.

Payor and Payee are parties to an agreement dated October 30, 1978 (the "Purchase Agreement"), pursuant to which Payee is selling and assigning to Payor the equipment (the "Equipment") described in the Schedule attached hereto and leasing back the Equipment from Payee pursuant to an agreement of lease of even date herewith (the "Lease"). This Note is referred to in the Purchase Agreement as a Limited Recourse Note or, together with the other Limited Recourse Notes and the Recourse Notes (as defined in the Purchase Agreement), as one of the Notes. In order to induce Payee to accept this Note, Payor is granting to Payee hereunder a lien with respect to the Equipment, pursuant to which payment of the Limited Recourse Notes is secured on the terms and conditions hereinafter provided.

2. Definitions.

Unless the context of this Note indicates otherwise, all terms defined in the Purchase Agreement or the Lease shall have the same meanings as are ascribed to such terms therein.

3. Security Interest.

To secure the payment when due of principal and interest under this Note and the payment and performance by Payor, when due, of all obligations and liabilities of Payor to Payee under this Note, the Purchase Agreement, the Lease, the Remarketing Agreement, this Agreement and any other Document (other than the Recourse Notes) (such payment under this Note, and such payment and performance of such obligations and liabilities are hereinafter referred to collectively as the "Obligations"), Payor shall and hereby does grant, convey, assign and transfer to Payee, subject and subordinate, however, to (i) the rights of the holders of the Liens (the "Senior Lienholders"), (ii) the rights of any Underlying Users under any Existing Underlying Agreements and future Underlying Agreements, and (iii) the rights of Payee under the Lease, a purchase money security interest in and to the Equipment, and all additions, replacements and attachments thereto, all leases covering the same, all other contracts calling for the disposition of the Equipment or its use, and all proceeds (collectively, the "Collateral"), provided, however, that any Rent (as defined in the Lease) theretofore received by Payor as lessor under the Lease shall not be deemed part of Collateral. The foregoing security interest is hereby made subject to the consent and approval of the Senior Lienholders to the extent required under the Liens and the Payor hereby agrees to take such steps and execute such documents as may be necessary to obtain such consent and approval and, upon the obtaining thereof, to take such steps and execute such documents as may be necessary to perfect and continue the perfection of such security interest.

Payor shall not cause or permit any claim, lien, security interest or other encumbrance to be imposed upon

the Equipment except (i) the security interest created hereby and (ii) any claim, lien, security interest or other encumbrance arising from liabilities of or claims against Payee.

4. Prepayment.

Except as provided in Section 5 below, this Note may not be prepaid in whole, or in part, at any time.

5. Deferral, etc.

5.1 Payment of Debts. In the event Debtor pays the Liens or any other debt of Payee (which upon the occurrence and continuation of an Event of Default under the Lease and upon notice to Secured Party, Debtor shall have the right, but not the obligation so to do) whether pursuant to the terms of the Liens or otherwise, all amounts so paid shall be deemed to be prepayments under this Note.

5.2 Deferral. In the event the Lease is terminated prior to the expiration of the Lease term, on account of an Event of Default as defined thereunder, then, notwithstanding anything herein to the contrary, the entire unpaid principal amount of this Note, together with all interest accruing hereunder shall be deferred and shall not be due and payable until October 31, 1994, at which time all such unpaid principal and accrued interest shall become due and payable; provided, however, that Payor may offset from the then outstanding balance of this Note all reasonable expenses which it incurred by reason of an Event of Default by Payee under the Lease, including, without limitation, its expenses in taking possession of the Equipment and arranging for a new lessee thereof to the extent that such amount has not by then been paid to Payor; and provided, further, that notwithstanding such deferral to the extent Payor shall receive any proceeds from the Equipment following a termination of the Lease as aforesaid, it shall be obligated to pay such proceeds to the Senior Lienholders on account of the Liens (and such payment shall be deemed to be prepayments under this Note).

6. Default.

6.1 Event of Default. The term "Event of Default" as used herein (except where expressly referring to

an Event of Default as defined in the Lease), shall mean the occurrence and continuation of any one or more of the following events:

(a) The failure of Debtor to promptly pay when due any payment due and payable under any of the Notes which failure continues for 10 days after notice, subject however to the provisions of Section 5 hereof;

(b) The failure of Debtor to promptly and faithfully pay, observe and perform when due any of the Obligations other than those referred to in subsection (a) above or the material breach by Debtor of any material representations, warranties or covenants of Debtor herein or in any of the other Documents, which failure or material breach continues for 30 days after notice;

(c) If Debtor shall:

(i) admit in writing its inability to pay debts generally as they become due;

(ii) file a petition in bankruptcy or a petition to take advantage of any insolvency act;

(iii) make an assignment for the benefit of its creditors;

(iv) consent to the appointment of a receiver for itself or for the whole or substantially all of its property;

(v) on a petition in bankruptcy filed against it, be adjudicated a bankrupt; or

(vi) file a petition or answer seeking reorganization or arrangement or other aid or relief under any bankruptcy or insolvency laws or any other law for the relief of debtors;

(d) If a court of competent jurisdiction shall enter an order, judgment or decree appointing, without the consent of Debtor, a receiver for Debtor or the whole or substantially all of its property, or approving a

petition filed against it seeking reorganization or arrangement of Debtor under any bankruptcy or insolvency laws or any other law for the relief of debtors, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof; or

(e) If, under the provisions of any law for the relief of debtors, any court of competent jurisdiction shall assume custody or control of Debtor or of the whole or any substantial part of its property without the consent of Debtor, and such custody or control shall not be terminated or stayed within sixty (60) days from the date of assumption of such custody or control;

(f) If Debtor shall sell, transfer or otherwise dispose of Collateral in violation of Section 9 below.

6.2 Acceleration. Upon the occurrence of an Event of Default the entire unpaid principal balance and all accrued but unpaid interest under each Note and all other amounts payable to Secured Party pursuant to the Obligations shall, at Payee's option, be accelerated and become and be immediately due and payable and Secured Party shall have all the rights and remedies with respect to the Collateral of a secured party holding a purchase money security interest under the Uniform Commercial Code; provided, however, that such rights and remedies shall be subject and subordinate to the security and other interests and the rights and remedies of all Senior Lienholders and further provided that Secured Party shall not exercise any rights or options under this Section, and an Event of Default shall not be deemed to exist, so long as an Event of Default, as defined in the Lease, by Payee as lessee has occurred and is continuing and for five (5) days after the curing thereof. The Secured Party shall give Debtor reasonable notice of the time and place of any public or private sale or other intended disposition of all or any portion of the Collateral. Debtor agrees that the requirements of reasonable notice shall be met if notice is mailed to Debtor at its address first above written not less than five (5) business days prior to the sale or other disposition. Expenses of retaking, holding, preparing for sale, selling or the like, shall include, without limitation, Secured Party's reasonable attorneys' fees and other legal expenses. Subject to the provisions of Section 6.3 hereof, Secured Party's rights and remedies, whether pursuant hereto or pursuant to the Uniform

Commercial Code or any other statute or rule of law conferring rights similar to those conferred by the Uniform Commercial Code, shall be cumulative and not alternative.

6.3 Limited-Recourse. Anything in the Purchase Agreement, the Lease or any other Document to the contrary notwithstanding, Payee agrees to look solely and only to the Collateral for the payment, performance and observance of all of the Obligations, except for the Obligations under the Recourse Notes or under the Remarketing Agreement, and Payee, for itself and its successors and assigns, hereby expressly waives any rights to enforce payment or performance by Payor, any of its subsidiaries or shareholders, or its or their shareholders, directors, officers, agents, employees or partners, or to recover damages for any breach of warranty, covenant or agreement of Payor hereunder or, except for the Recourse Notes or under the Remarketing Agreement, thereunder, other than to proceed against the Collateral in the event of any such Event of Default hereunder.

7. Replacement.

Effective upon any replacement under Section 6.2 of the Lease (i) all incidents of Secured Party's security interest in the Replaced Equipment (as defined in the Lease), ipso facto, shall cease and terminate automatically; and (ii) the schedule attached to the Purchase Agreement (the "Schedule") shall be amended, ipso facto, to delete therefrom the Replaced Equipment, as defined in the Lease (and all other information contained therein relating to the Replaced Equipment) and to add thereto the Replacement Equipment, as defined in the Lease (and other information relating to the Replacement Equipment called for by the Schedule), so that the Collateral shall include the Replacement Equipment and not the Replaced Equipment.

8. Notices.

Any notice, request or other communication required or permitted to be given under any of the provisions of this Agreement, shall be in writing and shall be deemed given on the date the same is sent by certified or registered mail, return receipt requested, postage prepaid and

addressed to the party for which intended at its address set forth at the head of this Agreement together with a copy to one additional addressee as may be requested by notice hereunder or at such other address as such party may hereafter designate to the other in a like notice.

9. Restrictions on Transfer.

Debtor shall not sell, transfer or otherwise convey all or any portion of the Collateral unless it (i) first delivers to Secured Party an acknowledgement executed by the transferee to the effect that the transferee's interest in the Collateral transferred is subject and subordinate to the rights and interests of Secured Party and the Senior Lienholder, (ii) delivers to Secured Party an acknowledgment executed by the transferee to the effect that the transferee assumes the Obligations (to the extent that they are recourse Obligations), (iii) delivers to Secured Party such documents and instruments of the transferee as Secured Party may reasonably request to effectuate provisions (i) and (ii) above, and (iv) delivers such additional documents and acknowledgments as the Senior Lienholders shall reasonably require. In addition, Secured Party must be reasonably satisfied that no lien by or against such transferee will attach to the Equipment which is superior to those of the Senior Lienholder and Secured Party. Further, Debtor shall not sell, transfer or otherwise convey any portion of the Collateral if the documents creating the Liens prohibit such transfer, unless it first obtains the written consent of the Senior Lienholders, as provided for in such documents.

10. Miscellaneous.

10.1 Financing Statements. Debtor hereby agrees from time to time to execute any financing or other statements in such form as may be necessary to evidence, perfect, and continue the perfection of, a security interest in the Collateral in favor of Secured Party in any and all jurisdictions.

10.2 Course of Dealing. No course of dealing between Payor and Payee, or any delay in exercising any rights or remedies hereunder or under any communication, report, notice or other document or instrument referred to

herein, shall operate as a waiver of any of the rights and remedies of Payor or Payee.

10.3 Amendments. This Agreement may be amended or varied only by a document, in writing, of even or subsequent date hereto executed by Payor and Payee.

10.4 Governing Law. This Note shall be governed by and interpreted under the laws of the Commonwealth of Pennsylvania applicable to contracts made and to be performed therein without giving effect to the principles of conflict of laws thereof; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303 and such additional rights arising out of the filing, recording or deposit hereof or of any financing statement or other document relating hereto, if any, as shall be conferred by the laws of the jurisdictions in which this Agreement or such financing statement or other document shall be filed, recorded or deposited.

10.5 Successors and Assigns. This Note shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and transferees.

10.6 Severability. The invalidity or unenforceability of any provision of this note shall not affect the validity or enforceability of any other provision.

10.7 Headings. The descriptive headings in this note are for convenience of reference only, and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

10.8 Counterparts. This Note shall be executed in three counterparts to be labeled Copy 1, 2 and 3, respectively. Copy 1 shall be deemed an original for all purposes and shall be Payee's copy. Copy 2 shall be deemed an original only for recording purposes under 49 U.S.C. Section 11303. Copy 3 shall be deemed an original for the purpose of indicating Payee's acceptance of the terms of this Note and shall be Payor's copy.

IN WITNESS WHEREOF, the Payor has executed this

instrument as of the date and year first above written.

PAYOR: REFCO RAIL EQUIPMENT, INC.

WITNESS:

_____ By: _____ [SEAL]
Vice Pres

AGREED TO:

WITNESS:

FUNDING SYSTEMS RAILCARS,
INC.

By: _____ [SEAL] _____

STATE OF ILLINOIS)
COUNTY OF COOK : ss.:)

On this 20th day of April, 1979, before me personally appeared Allen P. Palles to me personally known, who being by me duly sworn, did depose and say that he is the Vice President of Refco Rail Equipment, Inc., the corporation which executed the foregoing Agreement, that the seal affixed to the foregoing Agreement is the corporate seal of said corporation, that said Agreement was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing Agreement was the free act and deed of said corporation.

Carolyn C Wilson
Notary Public

My Commission Expires Feb. 13, 1981

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On this 23rd day of April, 1979, before me personally appeared Stanley B. Scheinman to me personally known, who being by me duly sworn, did depose and say that he is the President of Funding Systems Railcars, Inc. the corporation which executed the foregoing Amendment, that the seal affixed to the foregoing Amendment is the corporate seal of said corporation, that said Amendment was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing Amendment was the free act and deed of said corporation.

Diane H. McClain
Notary Public

DIANE H. McCLAIN
Notary Public, State of New York
No. 52-4807792-Qual. in Suffolk County
Certified in New York County
Commission Expires March 30, 1981

Interstate Commerce Commission

Washington, D.C. 20423

5/3/79

OFFICE OF THE SECRETARY

Charles T. Kappler, Esq.
Alvord & Alvord
World Center Building 200
918 16th St., N.W.
Washington, D.C. 20006

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 5/3/79 at 3:00, and assigned recordation number(s).

10341 & 10154-B
at 3:10pm 10342 & 10154-C

Sincerely yours,

H. G. Homme, Jr.
Secretary

Enclosure(s)

SE-30
(3/79)