

RECORDATION NO. 10188 Filed 1425

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MAR 12 1979 - 11 30 AM CANTOR, FITZGERALD EQUITIES CORP.
1345 Avenue of the Americas
New York, New York 10019

MAR 12 1979 - 11 30 AM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 10188 Filed 1425

MAR 12 1979 - 11 30 AM

No. 9-C71A013

Date MAR 12 1979

Fee \$60.00

150
120
180

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

ICC Washington, D.C.

Dear Sir:

One executed original and two executed counterparts of the following documents (as defined in 49 C.F.R. § 1116.1) are hereby submitted for recordation with the Interstate Commerce Commission:

(a) Loan and Security Agreement ("Loan Agreement"), dated as of March 8, 1979, between Manufacturers Hanover Leasing Corporation ("Lender") and Cantor, Fitzgerald Equities Corp. ("Owner").

(b) Supplement No. 1 ("Supplement No. 1"), dated as of March 8, 1979, to the Loan Agreement, between Lender and Owner.

(c) Restated and Amended Management Agreement ("Management Agreement"), dated as of August 1, 1978, between Columbus & Greenville Railway Company ("Manager") and Owner, for itself and as agent for Teltrain, Inc. ("Teltrain").

(d) Schedule No. 1 ("Schedule No. 1"), dated as of March 8, 1979, to the Management Agreement, between Manager and Owner.

(e) Agency Agreement ("Agency Agreement"), dated as of March 8, 1979, between Owner, for itself and as agent for Teltrain, and Railway Freight Car Services, Inc., a New York corporation ("Owner's Agent").

(f) Assignment and Assumption Agreement ("Assignment and Assumption Agreement"), dated as of February 1, 1979, among Manager, Railway Freight Car Services, Inc., a Delaware corporation ("Railway"), R.F.C. Services, Inc. ("R.F.C."), and Owner.

FEE OPERATION BR.
I.C.C.

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C. Cantor *Richard Bowen*

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INTERSTATE COMMERCE COMMISSION

The names and addresses of the parties to the transactions contemplated by the foregoing documents are:

- (a) Loan and Security Agreement and Supplement No. 1.

Lender - Manufacturers Hanover Leasing
(Mortgagee) Corporation
30 Rockefeller Plaza
New York, New York 10020

Owner - Cantor, Fitzgerald Equities Corp.
(Mortgagor) 1345 Avenue of the Americas
New York, New York 10019

- (b) Restated and Amended Management Agreement and Schedule No. 1.

Manager - Columbus & Greenville Railway Company
(Bailee) P. O. Box 6000
(Lessee) Columbus, Mississippi 39701

Owner, for itself - Cantor, Fitzgerald Equities
and as Agent for Corp.
Teltrain 1345 Avenue of the Americas
(Bailor) New York, New York 10019
(Lessor)

- (c) Agency Agreement.

Owner, for itself - Cantor, Fitzgerald Equities
and as Agent for Corp.
Teltrain 1345 Avenue of the Americas
(Principal) New York, New York 10019

Owner's Agent - Railway Freight Car Services,
(Agent) Inc. (a New York corporation)
North Shore Towers
269-10C Grand Central Parkway
Floral Park, New York 11005

(d) Assignment and Assumption Agreement.

Railway (Assignor) - Railway Freight Car Services, Inc.
5201 Northwest Second Avenue
Boca Raton, Florida 33432

Owner (Assignee) - Cantor, Fitzgerald Equities Corp.
1345 Avenue of the Americas
New York, New York 10019

R.F.C. (Assignee) - R.F.C. Services, Inc.
5201 Northwest Second Avenue
Boca Raton, Florida 33432

Manager (consenting party to Assignment) - Columbus & Greenville Railway Company
P. O. Box 6000
Columbus, Mississippi 39701

The Equipment covered by the documents is described on Exhibit A hereto.

Please insert the appropriate recordation number and certify the date and hour of filing (Washington, D.C. time) on the cover page of the originals and return them to:

Morgan, Lewis & Bockius
1800 M Street, N.W.
Washington, D.C. 20036
Attn: Ingrid M. Olson, Esq.

A filing fee in the amount of \$1⁶⁰80 is enclosed.

Very truly yours,

CANTOR, FITZGERALD EQUITIES CORP.

By: *[Signature]*
Title: *Pres.*

EXHIBIT A

<u>A.A.R.</u> <u>Mech.</u> <u>Design</u>	<u>Manu-</u> <u>facturer</u>	<u>Description</u>	<u>Numbers</u>	<u>Inside</u> <u>Length</u>	<u>Dimensions</u> <u>Inside</u> <u>Width</u>	<u>Inside</u> <u>Height</u>	<u>Doors</u> <u>Width</u>	<u>Number</u> <u>of</u> <u>Cars</u>
"XM"	FMC Cor- poration	70-Ton, 50'-6" Single Sheath Boxcars	CAGY 21,000 through CAGY 21,149	50'-6"	9'-6"	11'-1 3/4"	10'-0"	150

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LOAN AND SECURITY AGREEMENT, dated as of March 8, 1979, between CANTOR, FITZGERALD EQUITIES CORP., a Delaware corporation (the "Company"), and MANUFACTURERS HANOVER LEASING CORPORATION, a New York corporation (the "Lender").

W I T N E S S E T H :

WHEREAS, the Company is engaged, among other things, in the business of purchasing and owning railroad box-cars for management by Columbus & Greenville Railway Company under the Management Agreement (as hereinafter defined); and

WHEREAS, the Company desires to obtain loans from the Lender in order to finance 80% of the purchase price of 150 box-cars on order from FMC Corporation, such box-cars to be managed by Columbus & Greenville Railway Company under the Management Agreement; and

WHEREAS, the Company will evidence its borrowings hereunder by the issuance of promissory notes which, together with the Company's obligations and liabilities under this Agreement, will be secured by, inter alia, a lien on and security interest in such box-cars and the rights of the Company under the Management Agreement and the Agency Agreement (as hereinafter defined); and

WHEREAS, the Lender is agreeable to making the loans on the terms and conditions set forth in this Agreement;

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

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement the following terms shall have the following meanings:

"Agency Agreement" shall mean the Agency Agreement, dated as of March 8, 1979 between Owner's Agent and the Company, as the same may from time to time be amended, supplemented or otherwise modified.

"Agreement" shall mean this Loan and Security Agreement, including all Exhibits and all Supplements hereto, as the same may from time to time be amended, supplemented or otherwise modified.

"Assignment" shall mean the Assignment and Assumption Agreement, dated as of February 1, 1979, among Columbus & Greenville, Railway, the Company and R.F.C. Services, Inc.

"Box-cars" shall mean at any time the 70-ton general purpose box-cars and any other box-cars which are described in the Supplements at such time, together with (i) any and all parts, mechanisms, devices and replacements referred to in Subsection 6.18(a) hereof from time to time incorporated in or installed on or attached to any of such box-cars, (ii) any and all additions and improvements from time to time incorporated in or installed on or attached to any of such box-cars pursuant to requirement of law or governmental regulation and (iii) any and all Non-Removable Improvements.

"Box-car Cost" shall mean, for each Unit (other than a Replacement Unit), the actual cost thereof to the Company including all inspection fees and all applicable local or state sales taxes, if any, and excluding transportation charges, as set forth in the manufacturer's invoice with respect to such Unit. The "Box-car Cost" of a Replacement Unit shall be the Box-car Cost of the Unit which it replaced.

"Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday under the laws of the State of New York.

"Cash Collateral Account" shall have the meaning set forth in Subsection 6.17(c) hereof.

"Casualty Occurrence" shall mean any of the following events or conditions with respect to any Unit:

- (i) such Unit shall become lost for a period of at least 30 consecutive days, or shall become worn out, stolen, destroyed or irreparably damaged from any cause whatsoever; or

(ii) the confiscation, condemnation, seizure or forfeiture of, or other requisition of title to, or use of, such Unit by any governmental authority or any Person acting under color of governmental authority.

"Casualty Value" with respect to any Unit shall mean the amount obtained by multiplying the aggregate unpaid principal amount of the Notes at the time Casualty Value is being determined by a fraction, the numerator of which is the Box-car Cost of such Unit and the denominator of which is the aggregate Box-car Costs of all Box-cars which are then subject to the lien and security interest of this Agreement.

"Casualty Value Determination Date" shall have the meaning set forth in Subsection 6.17 (a) hereof.

"Collateral" shall mean the Box-cars, the Management Agreement, the Agency Agreement, the moneys and investments at any time in the Maintenance Account and the Cash Collateral Account and all other property, interests and rights described or referred to in Subsection 5.1, 5.2, 5.3, 5.4 or 5.5 hereof or in any Supplement, or otherwise subjected to the lien and security interest created by this Agreement or intended so to be.

"Columbus & Greenville" shall mean Columbus & Greenville Railway Company, a Mississippi corporation.

"Damaged Unit" shall mean any Unit which has suffered a Casualty Occurrence.

"Default" shall mean any of the events specified in Section 8 hereof, whether or not there has been satisfied any requirement in connection with such event for the giving of notice or the lapse of time, or both.

"Event of Default" shall mean any of the events specified in Section 8 hereof, provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or both.

"FMC" shall mean FMC Corporation, a Delaware corporation.

"Installment Payment Date" shall mean, when used with respect to any Note, each date on which an installment of principal and/or interest is due and payable thereon.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment, security interest, lien, charge or encumbrance, priority or other security agreement or arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any lease having substantially the same economic effect as a conditional sale or other title retention agreement, and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction).

"Loan" shall mean each loan made by the Lender under this Agreement.

"Louisiana Midland" shall mean Louisiana Midland Railway, a Louisiana corporation.

"Louisiana Midland Agreement" shall mean a commitment letter agreement of Louisiana Midland, substantially in the form of Exhibit B hereto.

"Maintenance Account" shall have the meaning set forth in Subsection 6.18(b) hereof.

"Management Agreement" shall mean the Restated and Amended Management Agreement, dated as of August 1, 1978, between the Company, for itself and as agent for Teltrain, and Columbus & Greenville, as the same may from time to time be further amended, supplemented or otherwise modified.

"Non-Removable Improvement" shall mean any addition or improvement incorporated in or installed on or attached to any Box-car which is not readily removable without causing material damage to such Box-car or without diminishing or impairing the utility or condition which such Box-car would have had at the time of removal had such addition or improvement not been made.

"Notes" shall mean the promissory notes of the Company described in Subsection 2.3 hereof.

"Obligations" shall have the meaning set forth in Section 5 hereof.

"Owner's Agent" shall mean Railway Freight Car Service, Inc., a New York corporation.

"Permitted Liens" shall mean, with respect to any Unit, (i) the rights of Columbus & Greenville under the Management Agreement, (ii) Liens for taxes which are not yet due or the payment of which is not at the time required to be made in accordance with the provisions of Subsection 6.4 hereof, and (iii) materialmen's, mechanics', repairmen's and other like Liens arising in the ordinary course of business securing obligations which are not more than 30 days overdue or the payment of which is not at the time required to be made in accordance with the provisions of Subsection 6.4 hereof.

"Person" shall mean an individual, partnership, corporation, joint venture, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"Proceeds" shall have the meaning assigned to it under the Uniform Commercial Code of the State of New York and, in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guarantee payable to the Company from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to the Company from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of any of the Collateral by any governmental authority (or any Person acting under color of governmental authority), and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Railway" shall mean Railway Freight Car Services, Inc., a Delaware corporation.

"Replacement Unit" shall have the meaning set forth in Subsection 6.17(c) hereof.

"Schedule" shall mean any schedule substantially in the form of Exhibit A to the Management Agreement, which is executed and delivered by the Company and Columbus & Greenville pursuant to the Management Agreement.

"Security Deposit Agreement" shall mean the Security Deposit Agreement among the Company, the Lender and Manufacturers Hanover Trust Company, substantially in the form of Exhibit C hereto, as the same may from time to time be amended, supplemented or otherwise modified.

"Subsidiary" shall mean, when used with respect to any Person, any corporation more than 50% of the issued and outstanding shares of Voting Stock of which at the time is owned or controlled, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person.

"Supplement" shall mean any supplement substantially in the form of Exhibit D hereto which is executed and delivered by the Company to the Lender pursuant to this Agreement.

"Teltrain" shall mean Teltrain, Inc., a New York corporation.

"Unit" shall mean one of the Box-cars.

"Voting Stock" of a corporation shall mean stock having ordinary voting power for the election of a majority of the board of directors, managers or trustees of such corporation, other than stock having such power only by reason of the happening of a contingency.

"Withdrawal Request" shall mean a Withdrawal Request of the Company, substantially in the form of Exhibit E hereto.

1.2 Use of Defined Terms. All terms defined in this Agreement shall have their defined meanings when used in any Notes, certificates, reports or other documents made or delivered pursuant hereto.

1.3 Other Definitional Provisions. (a) The words "hereof", "herein" and "hereunder" and words of similar

import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(b) Terms defined in the singular shall have a comparable meaning when used in the plural and vice versa.

SECTION 2. AMOUNT AND TERMS OF LOANS

2.1 Commitment. Subject to the terms and conditions of this Agreement, the Lender agrees to make up to four loans to the Company from time to time from the date hereof to and including March 31, 1979, in an aggregate principal amount not to exceed \$4,680,000, to finance a portion of the aggregate purchase price of up to one hundred fifty 70-ton general purpose box-cars to be purchased by the Company and managed by Columbus & Greenville pursuant to the Management Agreement. Each borrowing pursuant to this Agreement shall be in an amount of at least \$500,000, and each borrowing pursuant hereto shall not exceed 80% of the aggregate Box-car Costs of the Units being purchased by the Company with the proceeds of such borrowing. The Company shall give the Lender at least five Business Days' prior written notice (effective upon receipt) of each borrowing hereunder.

2.2 Use of Proceeds. The Company will use the proceeds of each Loan solely to pay, or to reimburse the Company for payments made by it with respect to, up to 80% of the aggregate Box-car Costs of the Units described in the Supplement executed and delivered by the Company in connection with such Loan.

2.3 The Notes. Each Loan shall be evidenced by a separate secured promissory note of the Company in the principal amount of such Loan, substantially in the form of Exhibit A hereto with appropriate insertions therein. Each Note shall (a) be dated the date on which such Loan is made, (b) be in the principal amount of such Loan, (c) bear interest on the unpaid principal amount thereof from the date thereof to and including the date the first installment of principal and interest is due thereunder at the rate of 4.756% per annum and thereafter at the rate of 12.0762% per annum, provided that whenever any such unpaid principal amount shall become due and payable (whether at the stated maturity, by prepayment, by acceleration or otherwise), interest thereon shall thereafter be payable at the rate of 18% per annum until such overdue principal amount shall

be paid in full and (d) be payable in 60 consecutive quarterly installments of principal and interest, commencing on the day of the third calendar month after the date of such Note corresponding with the date of such Note and on the same day of each third calendar month thereafter (or, if any such month does not have a corresponding day, then on the last day of such month), the first of such installments being in an amount equal to 1.189000% of the original principal amount of such Note and each of the 2nd through the 60th of such installments being in an amount equal to 3.650292% of the original principal amount of such Note, provided that, in any event, the 60th quarterly installment shall be in an amount sufficient to pay in full all accrued interest on, and the entire unpaid principal amount of, such Note. Installments received with respect to each Note shall be applied first to the payment of interest then due and then to the payment of principal.

2.4 Voluntary Prepayment With Premium. (a) On any Installment Payment Date on any Note, commencing with the 29th such Installment Payment Date, the Company may, at its option, upon notice as provided in Subsection 2.6 hereof, prepay such Note as a whole at any time or in part (in multiples of \$100,000) from time to time, by paying to the Lender the prepayment price in effect on such Installment Payment Date as set forth below (such prepayment price being expressed as a percentage of the amount of the outstanding principal amount of the Note then being prepaid), together with (i) accrued interest on the outstanding principal amount to the date fixed for such prepayment and (ii) additional interest in an amount sufficient to provide Lender with a rate of return of 11.75% per annum from the date of such Note to the date fixed for such prepayment, exclusive of any premium payable by the Company under this Subsection 2.4:

<u>Installment Payment Date</u>	<u>Prepayment Price</u>	<u>Installment Payment Date</u>	<u>Prepayment Price</u>
29	105.00000%	45	102.41936%
30	104.83871	46	102.25807
31	104.67742	47	102.09678
32	104.51613	48	101.93549
33	104.35484	49	101.77420
34	104.19355	50	101.61291
35	104.03226	51	101.45162
36	103.87097	52	101.29033
37	103.70968	53	101.12904
38	103.54839	54	100.96775
39	103.38710	55	100.80646
40	103.22581	56	100.64517
41	103.06452	57	100.48388
42	102.90323	58	100.32259
43	102.74194	59	100.16131
44	102.58065	60	100.00000

(b) Except as otherwise provided in this Subsection 2.4, the Notes may not be voluntarily prepaid.

2.5 Casualty Occurrence Prepayment. In the event that any Unit shall suffer a Casualty Occurrence and the Company shall not replace such Unit pursuant to Subsection 6.17 hereof, the Company will prepay the Notes without premium in accordance with the provisions of said Subsection 6.17.

2.6 Notice of Prepayment. The Company shall give written notice to the Lender of any prepayment of the Notes not less than 20 days nor more than 60 days before the date fixed for such prepayment, specifying (a) the Note or Notes to be prepaid, (b) the Installment Payment Date(s) fixed for such prepayment, (c) the Subsection hereof under which such prepayment is to be made, (d) the principal amount of each such Note to be prepaid, and (e) the premium, if any, and accrued interest applicable to such prepayment. Such notice of prepayment shall also certify all facts which are conditions precedent to such prepayment, including, if such prepayment is to be made pursuant to Subsection 2.5 hereof, the calculations used in determining the unpaid principal amount of the Notes to be prepaid. Upon the giving of such notice, the unpaid principal amount of the Notes to be prepaid, together with the premium, if any, and accrued interest thereon, shall become due and payable on the date fixed for such prepayment.

2.7 Adjustment of Installments. In the event any partial prepayment of any Note is made pursuant to Subsection 2.4 or 2.5 hereof, each installment due and payable under such Note after such partial prepayment shall be reduced in the same proportion as the then outstanding principal amount of such Note shall have been reduced by such partial prepayment.

2.8 Computation of Interest. Interest on the Notes shall be calculated on the basis of a 360-day year of twelve 30-day months. All payments (including prepayments) by the Company on account of the principal of, premium, if any, and interest on the Notes shall be made to the Lender at its office at 30 Rockefeller Plaza, New York, New York (or at such other place as the Lender shall notify the Company in writing), in lawful money of the United States of America and in immediately available funds. If any such payment becomes due and payable on a day that is not a Business Day, the maturity thereof shall be extended to the next succeeding Business Day.

2.9 Release of Collateral. Upon any prepayment of the Notes pursuant to Subsection 2.4 or 2.5 hereof, the Lender will execute and deliver to the Company such instruments as shall be necessary to release from the lien and security interest of this Agreement, without recourse to, or representation or warranty by, the Lender, that number of Units which is equal to the number (disregarding any fraction) obtained by multiplying the total number of Box-cars which are then subject to the lien and security interest of this Agreement by a fraction, the numerator of which is the aggregate principal amount of the Notes so prepaid and the denominator of which is the aggregate unpaid principal amount of the Notes immediately prior to such prepayment. In the case of a prepayment pursuant to Subsection 2.4 hereof, the Lender shall have the right to designate the Units to be released.

SECTION 3. REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into this Agreement and to make the Loans, the Company represents and warrants to the Lender that:

3.1 Corporate Existence and Business. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is duly qualified as a foreign corporation and in good standing in the States of Arizona, California, Georgia and New York, the only jurisdictions where the conduct of its business or the ownership or lease of its properties requires such qualification. The Company has no Subsidiaries. The Company presently is engaged principally in the businesses of acquiring, holding and selling interests in real estate and purchasing and owning railroad box-cars for management by Columbus & Greenville under the Management Agreement. The Company is a licensed real estate broker in the State of New York.

3.2 Power and Authorization; Enforceability; Consents. The Company has full power, authority and legal right to own its properties and to conduct its business as now conducted and presently proposed to be conducted by it and to execute, deliver and perform this Agreement, the Supplements, the Notes, the Assignment, the Management Agreement, the Schedules, the Agency Agreement and the Security Deposit Agreement and to borrow under this Agreement on the terms and conditions hereof, to grant the lien and security interest provided for in this Agreement and the Supplements

and to take such action as may be necessary to complete the transactions contemplated by this Agreement, the Supplements, the Notes, the Assignment, the Management Agreement, the Schedules, the Agency Agreement and the Security Deposit Agreement, and the Company has taken all necessary corporate action to authorize the borrowings on the terms and conditions of this Agreement and the grant of the lien and security interest provided for in this Agreement and the Supplements and to authorize the execution, delivery and performance of this Agreement, the Supplements, the Notes, the Assignment, the Management Agreement, the Schedules, the Agency Agreement and the Security Deposit Agreement on the terms and conditions hereof and thereof. Each of this Agreement, the Assignment, the Management Agreement and the Agency Agreement has been duly authorized, executed and delivered by the Company and constitutes, and each Supplement, each Note, each Schedule and the Security Deposit Agreement has been duly authorized by the Company and when executed and delivered by the Company will constitute, a legal, valid and binding obligation of the Company enforceable in accordance with its terms. No consent of any other party (including stockholders of the Company) and no consent, license, permit, approval or authorization of, exemption by, or registration or declaration with, any governmental authority is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement, any Supplement, any Note, the Assignment, the Management Agreement, any Schedule, the Agency Agreement or the Security Deposit Agreement except for the filing of this Agreement, each Supplement, the Assignment, the Management Agreement, the Agency Agreement and each Schedule with the Interstate Commerce Commission and the filing of financing statements with respect to the Lender's security interest in the Management Agreement and the Agency Agreement in the offices of the Secretary of State of New York and the City Register of New York County.

3.3 No Legal Bar. The execution, delivery and performance by the Company of this Agreement, the Supplements, the Notes, the Assignment, the Management Agreement, the Schedules, the Agency Agreement and the Security Deposit Agreement will not violate any provision of any existing law or regulation to which the Company is subject or of any order, judgment, award or decree of any court, arbitrator or governmental authority applicable to the Company or of the Articles of Incorporation, By-Laws or any preferred stock provision of the Company or of any mortgage, indenture, contract or other agreement to which the Company is a party or which is or purports to be binding upon the Company or any of its properties or assets, and will not constitute a

default thereunder, and (except as contemplated by this Agreement) will not result in the creation or imposition of any Lien on any of the properties or assets of the Company. The Company is not in default in the performance or observance of any of the obligations, covenants or conditions contained in any bond, debenture or note, or in any mortgage, deed of trust, indenture or loan agreement, of the Company.

3.4 No Material Litigation. There are no actions, suits or proceedings (whether or not purportedly on behalf of the Company) pending or, to the knowledge of the Company, threatened against the Company or any of its properties or assets in any court or before any arbitrator of any kind or before or by any governmental body, which (i) relate to any of the Collateral or to any of the transactions contemplated by this Agreement, or (ii) would, if adversely determined, materially impair the right or ability of the Company to carry on its business substantially as now conducted and presently proposed to be conducted, or (iii) would, if adversely determined, have a material adverse effect on the operating results or on the condition, financial or other, of the Company. The Company is not in default with respect to any material order, judgment, award, decree, rule or regulation of any court, arbitrator or governmental body.

3.5 No Default. No Default or Event of Default has occurred and is continuing under this Agreement.

3.6 Financial Condition. The financial statements of the Company as at August 31, 1978, and for the fiscal year then ended, certified by Deloitte Haskins & Sells, copies of which have heretofore been delivered to the Lender, present fairly the financial position of the Company as at August 31, 1978 and the results of its operation and changes in its financial position for the fiscal year then ended and have been prepared in accordance with generally accepted accounting principles consistently maintained throughout the period involved. There has been no material adverse change in the condition, financial or other, of the Company since August 31, 1978.

3.7 Payment of Taxes. The Company has filed all federal, state and local tax returns and declarations of estimated tax which are required to be filed and has paid all taxes which have become due pursuant to such returns and declarations or pursuant to any assessment made against it, and the Company has no knowledge of any deficiency or additional assessment in connection therewith not adequately provided

for on the books of the Company. In the opinion of the Company, all tax liabilities of the Company were adequately provided for as of August 31, 1978, and are now so provided for, on the books of the Company.

3.8 Force Majeure. Since August 31, 1978, the business, operations, properties and assets of the Company have not been materially and adversely affected in any way as the result of any fire, explosion, earthquake, disaster, accident, labor disturbance, requisition or taking of property by governmental authority, flood, drought, embargo, riot, civil disturbance, uprising, activity of armed forces, or act of God or the public enemy.

3.9 Burdensome Provisions. The Company is not a party to any agreement or instrument, or subject to any charter or other corporate restriction or to any judgment, order, writ, injunction, decree, award, rule or regulation, which does or will materially and adversely affect the business, operations, properties or assets or the condition, financial or other, of the Company.

3.10 Management Agreement. The Management Agreement has been duly authorized, executed and delivered by Columbus & Greenville and constitutes a valid and binding obligation of Columbus & Greenville, enforceable in accordance with its terms. Neither the Company nor Columbus & Greenville is in default in the performance or observance of any covenant, term or condition contained in the Management Agreement, and no event has occurred and no condition exists which constitutes, or which with the lapse of time or the giving of notice or both would constitute, an event of default under the Management Agreement. The Company has fully performed all its obligations under the Management Agreement, and the right, title and interest of the Company in, to and under the Management Agreement is not subject to any defense, offset, counterclaim or claim, nor have any of the foregoing been asserted or alleged against the Company.

3.11 Agency Agreement. The Agency Agreement has been duly authorized, executed and delivered by Owner's Agent and constitutes a valid and binding obligation of Owner's Agent, enforceable in accordance with its terms. Neither the Company nor Owner's Agent is in default in the performance or observance of any covenant, term or condition contained in the Agency Agreement, and no event has occurred and no condition exists which constitutes, or which with the

lapse of time or the giving of notice or both would constitute, an event of default under the Agency Agreement. The Company has fully performed all its obligations under the Agency Agreement, and the right, title and interest of the Company in, to and under the Agency Agreement is not subject to any defense, offset, counterclaim or claim, nor have any of the foregoing been asserted or alleged against the Company.

3.12 Title to Box-cars; Specifications. Whenever the Company borrows from the Lender under this Agreement (i) the Company will have good and valid title to, and will be the lawful owner of, each Unit being partially financed with the proceeds of such Loan, free and clear of all Liens whatsoever except the lien and security interest created by this Agreement and Permitted Liens, (ii) each such Unit will conform to all Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards recommended by the Association of American Railroads, in each case applicable to railroad equipment of the same type as the Box-cars and (iii) each such Unit will be new and unused.

3.13 First Lien. Upon the filing of this Agreement, the Assignment, the Management Agreement, the Agency Agreement, any Supplement and any Schedule in the manner prescribed in Section 11303, Title 49, United States Code and in the related regulations of the Interstate Commerce Commission, and the filing of financing statements with respect to the Lender's security interest in the Management Agreement and the Agency Agreement in the offices of the Secretary of State of New York and the City Register of New York County, this Agreement will constitute a legal, valid and perfected first lien on and first priority security interest in each of the Units described in such Supplement (and any Proceeds thereof), the Management Agreement (and the Proceeds thereof), the Agency Agreement (and any Proceeds thereof), the Maintenance Account and the Cash Collateral Account, as security for the Obligations, free and clear of all other Liens whatsoever except Permitted Liens. No security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Collateral is on file or of record with the Interstate Commerce Commission or with any other public office, except such as may have been filed by or on behalf of the Company in favor of the Lender pursuant to this Agreement.

3.14 Principal Office. The principal place of business, the chief executive office and the place at which the books and records of the Company are kept is 1345 Avenue of the Americas, New York, New York 10019.

SECTION 4. CONDITIONS OF BORROWING

4.1 Conditions to Initial Loan. The obligation of the Lender to make the initial Loan hereunder shall be subject to the fulfillment, to the satisfaction of the Lender, of the following conditions precedent:

(a) There shall have been delivered to the Lender copies, certified by the Secretary of the Company on the date of such Loan, of the Certificate of Incorporation and By-Laws of the Company;

(b) There shall have been delivered to the Lender a copy, certified by the Secretary of the Company on the date of such Loan, of the resolutions of the Board of Directors of the Company approving the transactions contemplated by this Agreement and authorizing the execution, delivery and performance by the Company of this Agreement, the Notes, the Supplements, the Assignment, the Management Agreement, the Schedules, the Agency Agreement, the Security Deposit Agreement and all other documents and instruments required hereby;

(c) There shall have been delivered to the Lender a copy, certified by the Secretary or an Assistant Secretary of Columbus & Greenville on the date of such Loan, of the resolutions of the Board of Directors of Columbus & Greenville, authorizing the management of the Box-cars under the Management Agreement and the execution, delivery and performance by Columbus & Greenville of the Assignment and the Management Agreement;

(d) There shall have been delivered to the Lender (i) a copy, certified by the Secretary or an Assistant Secretary of Railway on the date of such Loan, of the resolutions of the Board of Directors of Railway, authorizing the execution, delivery and performance by Railway of the Assignment and (ii) a copy, certified by the Secretary or an Assistant Secretary of Owner's Agent on the date of such Loan, of the resolutions of the Board of Directors of Owner's Agent, authorizing the execution, delivery and performance by Owner's Agent of the Agency Agreement.

(e) There shall have been delivered to the Lender a certificate, dated the date of such Loan, with respect to the incumbency and signatures of each of the officers of the Company executing this Agreement or any document relating hereto on behalf of the Company;

(f) There shall have been delivered to the Lender evidence that this Agreement has been duly filed, registered and recorded with the Interstate Commerce Commission in accordance with Section 11303, Title 49, United States Code;

(g) All executed counterparts of the Management Agreement in the possession of the Company or of any person controlling, controlled by or under common control with the Company shall have been delivered to the Lender, and the Lender shall have received a certificate to the foregoing effect, dated the date of such Loan, and signed by a duly authorized officer of the Company;

(h) There shall have been delivered to the Lender evidence that the Assignment has been duly filed, registered and recorded with the Interstate Commerce Commission in accordance with Section 11303, Title 49, United States Code;

(i) There shall have been delivered to the Lender evidence that the Management Agreement has been duly filed, registered and recorded with the Interstate Commerce Commission in accordance with Section 11303, Title 49, United States Code and that financing statements with respect to the Lender's security interest therein have been filed in the offices of the Secretary of State of the State of New York and the City Register of New York County;

(j) All executed counterparts of the Agency Agreement in the possession of the Company or of any person controlling, controlled by or under common control with the Company shall have been delivered to the Lender, and the Lender shall have received a certificate to the foregoing effect, dated the date of such Loan, and signed by a duly authorized officer of the Company;

(k) There shall have been delivered to the Lender evidence that the Agency Agreement has been duly filed, registered and recorded with the Interstate Commerce Commission in accordance with Section 11303, Title 49, United States Code and that financing statements with respect to the Lender's security interest therein have been duly filed in the offices of the Secretary of State of the State of New York and the City Register of New York County;

(l) The Lender shall have received a certificate of Owner's Agent, dated the date of such Loan, in which Owner's Agent, (i) acknowledges notice of the assignment to the Lender of all of the Company's right, title and interest in, to and under the Agency Agreement, (ii) acknowledges receipt of a copy of this Agreement, (iii) agrees, whenever instructed by the Company or the Lender, to send all sums payable to the Company under the Agency Agreement to the Lender, and (iv) certifies that the Agency Agreement is in full force and effect and constitutes a valid and binding agreement of Owner's Agent, enforceable in accordance with its terms;

(m) There shall have been delivered to the Lender a duly executed but undated directive of the Company to Owner's Agent, substantially in the form of Exhibit I hereto;

(n) The Lender shall have received a certificate of Columbus & Greenville, dated the date of such Loan, in which Columbus & Greenville (i) acknowledges notice of the assignment to the Lender of all of the Company's right, title and interest in, to and under the Management Agreement, (ii) acknowledges receipt of a copy of this Agreement, and (iii) certifies to the same effect as paragraph (A) of Section 25 of the Management Agreement and to the further effect that the Management Agreement is in full force and effect and constitutes a valid and binding agreement of Columbus & Greenville, enforceable in accordance with its terms;

(o) There shall have been delivered to the Lender a duly executed but undated

directive of the Company to Columbus & Greenville, substantially in the form of Exhibit F hereto;

(p) The Louisiana Midland Agreement shall have been duly executed by Louisiana Midland and delivered to the Lender; and

(q) The Security Deposit Agreement shall have been duly executed by the Company and delivered to the Lender.

4.2 Conditions to Each Loan. The obligation of the Lender to make any Loan hereunder (including the initial Loan) shall be subject to the fulfillment, to the satisfaction of the Lender, of the following conditions precedent:

(a) The representations and warranties contained in Section 3 hereof shall be true and correct on and as of the date of the making of such Loan with the same effect as if made on and as of such date, and no Default or Event of Default shall be in existence on the date of the making of such Loan or would occur as a result of such Loan;

(b) The Company shall have executed and delivered to the Lender a Note meeting the requirements of Subsection 2.3 hereof;

(c) There shall have been delivered to the Lender (i) a copy of the warranty bill of sale from FMC with respect to the Box-cars being financed by such Loan, substantially in the form of Exhibit G hereto, transferring to the Company good title to such Box-cars free and clear of all Liens and (ii) a copy of the Certificate of Acceptance of Columbus & Greenville with respect to such Box-cars, substantially in the form of Exhibit B to the Management Agreement.

(d) There shall have been delivered to the Lender a Certificate of Cost with respect to the Box-cars being financed by such Loan, substantially in the form of Exhibit H hereto, showing the principal amount of such Loan to be equal to or less than 80% of the Total Box-car Costs of such Box-cars and accompanied by true

and complete copies of the invoices from FMC, identifying such Box-cars and specifying the Box-car Costs thereof.

(e) There shall have been delivered to the Lender a completed Supplement duly executed by the Company, identifying the Box-cars being financed by such Loan and subjecting such Box-cars to the lien and security interest created by this Agreement, together with evidence that such Supplement has been duly filed, registered and recorded with the Interstate Commerce Commission in accordance with Section 11303, Title 49, United States Code;

(f) There shall have been delivered to the Lender a completed Schedule identifying the Box-cars being financed by such Loan and subjecting such Box-cars to the Management Agreement, together with evidence that such Schedule has been duly filed, registered and recorded with the Interstate Commerce Commission in accordance with Section 11303, Title 49, United States Code;

(g) There shall have been delivered to the Lender evidence of insurance with respect to the Box-cars being financed by such Loan which indicate compliance with the provisions of Subsection 6.16 hereof;

(h) There shall have been delivered to the Lender a certificate, dated the date of such Loan and signed by the President or any Vice President of the Company, to the same effect as paragraph (a) of this Subsection 4.2 and to the further effect that (A) the Box-cars being financed by such Loan have been delivered to and accepted by the Company; (B) the Company has valid and legal title to, and is the lawful owner of, such Box-cars, free and clear of all Liens except the lien and security interest created by this Agreement and Permitted Liens; and (C) such Box-cars have been duly subjected to the Management Agreement and accepted by Columbus & Greenville;

(i) There shall have been delivered to the Lender, the opinion of counsel or special Interstate Commerce Commission counsel for Columbus

& Greenville referred to in paragraph (C) of Section 25 of the Management Agreement;

(j) There shall have been delivered to the Lender, the opinion of counsel for Railway, dated the date of such Loan and addressed to the Lender and the Company to the effect that the Assignment has been duly authorized, executed and delivered by Railway and constitutes a legal, valid and binding obligation of Railway, enforceable in accordance with its terms;

(k) There shall have been delivered to the Lender, an opinion of Messrs. Kronish, Lieb, Shainswit, Weiner & Hellman, counsel for the Company, dated the date of such Loan and substantially in the form of Exhibit J hereto;

(l) There shall have been delivered to the Lender, an opinion of Messrs. Morgan, Lewis & Bockius, special counsel for the Company, dated the date of such Loan and substantially in the form of Exhibit K hereto;

(m) There shall have been delivered to the Lender, an opinion of counsel for FMC, dated the date of such Loan and addressed to the Lender and the Company to the effect that (A) FMC is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to own its property and to conduct its business as presently conducted; (B) the purchase order with respect to the Box-cars being financed by such Loan has been duly authorized, executed and delivered by FMC and, assuming due authorization, execution and delivery thereof by the Company, is a legal and valid agreement, binding upon FMC, enforceable against FMC in accordance with its terms, subject, as to the enforcement of remedies, to applicable bankruptcy, insolvency, moratorium and similar laws affecting creditors' rights generally; and (C) FMC's bill of sale relating to the Box-cars being financed by such Loan has been duly authorized, executed and delivered by FMC and is effective to transfer to the Company good and marketable title to

the Box-cars, free and clear of all claims, charges, liens, security interests and other encumbrances, except the rights of the Lender under this Agreement;

(n) There shall have been delivered to the Lender, the opinion of counsel for Owner's Agent, dated the date of such Loan and addressed to the Lender and the Company to the effect that the Agency Agreement has been duly authorized, executed and delivered by Owner's Agent and constitutes a legal, valid and binding obligation of Owner's Agent, enforceable in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

(o) The Lender shall have received any other documents, instruments or certificates that the Lender may reasonably request; and

(p) All legal matters in connection with such Loan and the security therefor shall be satisfactory to Messrs. Simpson Thacher & Bartlett, counsel for the Lender.

SECTION 5. GRANT OF LIEN AND SECURITY INTEREST

As collateral security for (a) the prompt and complete payment when due (whether at the stated maturity, by prepayment, by acceleration or otherwise) of the unpaid principal of, premium, if any, and interest on the Notes, and (b) the due and punctual payment and performance by the Company of all of its obligations and liabilities under or arising out of or in connection with this Agreement (all of the foregoing being hereinafter called the "Obligations"), and in order to induce the Lender to make the Loans hereunder:

5.1 Box-cars. The Company does hereby assign, convey, mortgage, pledge and transfer to the Lender, and does hereby grant to the Lender a continuing security interest in, all Box-cars now owned or at any time hereafter acquired by the Company and any and all Proceeds thereof, provided that the Lender does not hereby consent to the sale or other disposal thereof.

5.2 Management Agreement. (a) The Company does hereby assign, convey, mortgage, pledge and transfer to the Lender, and does hereby grant to the Lender a continuing security interest in, all of the right, title and interest of the Company in, to and under the Management Agreement, including, without limitation, all right, title and interest of the Company in and to all Remittances (as defined in the Management Agreement), rents, issues, profits, revenues and other income arising under the Management Agreement and other moneys due and to become due to the Company under or arising out of the Management Agreement, all accounts and general intangibles under or arising out of the Management Agreement, all proceeds of and all claims for damages arising out of the breach of the Management Agreement, the right of the Company to terminate the Management Agreement and to compel performance of the terms and provisions thereof, and all chattel paper, contracts, instruments and other documents evidencing the Management Agreement or any moneys due or to become due thereunder or related thereto. Each and every copy of the Management Agreement which the Company directly or indirectly has in its control or possession shall have attached thereto a notice indicating the Lender's interest therein.

(b) If an Event of Default has occurred and is continuing, upon the demand of the Lender the Company will specifically authorize and direct Columbus & Greenville to (i) cause all amounts payable to Columbus & Greenville from Other Railroads (as defined in the Management Agreement) or from any other party for the use of or relating to the Box-cars including, without limitation, mileage charges, straight car hire payments, penalties and incentive car hire payments, to the fullest extent permitted by law, to be paid directly to the Lender or as the Lender may direct, (ii) hold in trust any such amounts received by Columbus & Greenville and forthwith pay the same to the Lender and (iii) make payment of all Remittances (as defined in the Management Agreement) and other amounts due and to become due under or arising out of the Management Agreement directly to the Lender or as the Lender may direct and upon such demand the Company irrevocably authorizes and empowers the Lender to ask, demand, receive, receipt and give acquittance for any and all such amounts which may be or become due or payable or remain unpaid to the Company by Columbus & Greenville at any time or times under or arising out of the Management Agreement; to endorse any checks, drafts or other orders for the payment of money payable to the Company in payment therefor; and in the Lender's discretion to file any claims or take any action or proceedings either in its own name or in the name of the Company or otherwise which the

Lender may deem to be necessary or advisable in the premises. The Company hereby irrevocably authorizes the Lender after any such demand has been made, in its own name or in the name and on behalf of the Company, to give notification to Columbus & Greenville that payment under the Management Agreement is to be made directly to the Lender.

(c) It is expressly agreed by the Company that, anything herein to the contrary notwithstanding, the Company shall remain liable under the Management Agreement to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof. The Lender shall not have any obligation or liability under the Management Agreement by reason of or arising out of this Agreement or the assignment of the Management Agreement to the Lender or the receipt by the Lender of any payment relating to the Management Agreement pursuant hereto, nor shall the Lender be required or obligated in any manner to perform or fulfill any of the obligations of the Company under or pursuant to the Management Agreement, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any performance by Columbus & Greenville under the Management Agreement, or to present or file any claim, or to take any action to enforce the observance of any obligations of Columbus & Greenville under the Management Agreement.

5.3 Agency Agreement. (a) The Company does hereby assign, convey, mortgage, pledge and transfer to the Lender, and does hereby grant to the Lender a continuing security interest in, all of the right, title and interest of the Company in, to and under the Agency Agreement, including, without limitation, all right, title and interest of the Company in and to all rents, issues, profits and revenues and other income arising under the Agency Agreement and other moneys due and to become due to the Company under or arising out of the Agency Agreement, all accounts and general intangibles under or arising out of the Management Agreement, all proceeds of and claims for damages arising out of the breach of the Agency Agreement, the right of the Company to terminate the Agency Agreement and to compel the performance of the terms and provisions thereof and all chattel paper, contracts, instruments and other documents evidencing the Agency Agreement or any moneys due or to become due thereunder or related thereto. Each and every copy of the Agency Agreement which the Company directly or indirectly has in its control or possession shall have attached thereto a notice indicating the Lender's interest therein.

(b) If an Event of Default has occurred and is continuing, upon the demand of the Lender the Company will specifically authorize and direct Owner's Agent to make payment of all moneys due and to become due under or arising out of the Agency Agreement directly to the Lender and upon such demand the Company irrevocably authorizes and empowers the Lender to ask, demand, receive, receipt and give acquittance for any and all such amounts which may be or become due or payable or remain unpaid to the Company by Owner's Agent at any time or times under or arising out of the Agency Agreement; to endorse any checks, drafts, or other orders for the payment of money payable to the Company in payment therefor; and in the Lender's discretion to file any claims or take any action or proceedings either in its own name or in the name of the Company or otherwise which the Lender may deem to be necessary or advisable in the premises. The Company hereby irrevocably authorizes the Lender after any such demand has been made, in its own name or in the name and on behalf of the Company, to give notification to Owner's Agent that payment under the Agency Agreement is to be made directly to the Lender.

(c) It is expressly agreed by the Company that, anything herein to the contrary notwithstanding, the Company shall remain liable under the Agency Agreement to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof. The Lender shall not have any obligation or liability under the Agency Agreement by reason of or arising out of this Agreement or the assignment of the Agency Agreement to the Lender or the receipt by the Lender of any payment relating to the Agency Agreement pursuant hereto, nor shall the Lender be required or obligated in any manner to perform or fulfill any of the obligations of the Company under or pursuant to the Agency Agreement, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any performance by Owner's Agent under the Agency Agreement, or to present or file any claim, or to take any action to enforce the observance of any obligations of Owner's Agent under the Agency Agreement.

5.4 Maintenance Account. The Company does hereby assign, convey, mortgage, pledge and transfer to the Lender, and does hereby grant to the Lender a continuing security interest in, all monies and all investments at any time held in the Maintenance Account.

5.5 Cash Collateral Account. The Company does hereby assign, convey, mortgage, pledge and transfer to the Lender, and does hereby grant to the Lender a continuing security interest in, all moneys and all investments at any time held in the Cash Collateral Account.

SECTION 6. COVENANTS

The Company hereby covenants and agrees that from the date of this Agreement and so long as any of the Notes remain outstanding and unpaid unless the Lender shall otherwise consent in writing:

6.1 Financial Statements. The Company will furnish, or cause to be furnished, to the Lender:

(a) as soon as available, but in any event not later than 120 days after the end of each fiscal year of the Company, a balance sheet of the Company as at the end of such fiscal year and the related statements of income and of changes in financial position of the Company for such fiscal year, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout such fiscal year and accompanied by a report or opinion of Deloitte Haskins & Sells or other independent public accountants of recognized standing selected by the Company and satisfactory to the Lender;

(b) as soon as available, but in any event not later than 120 days after the end of each quarter, other than the last, of each fiscal year of the Company, an unaudited balance sheet of the Company as at the end of such quarter and the related unaudited statements of income and of changes in financial position of the Company for the period from the beginning of such fiscal year to the end of such quarter, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and certified by the chief financial officer of the Company (subject to normal year-end audit adjustments);

(c) concurrently with the delivery of the financial statements referred to in clauses (a) and (b) above, a certificate of the chief financial officer of the Company stating that, to the best of his knowledge after due inquiry, the Company has observed and performed each and every covenant and agreement of the Company contained in this Agreement, the Management Agreement, the Agency Agreement and the Notes and that no Default or Event of Default has occurred during the period covered by such financial statements or is in existence on the date of such certificate or, if a Default or Event of Default has occurred or is in existence, specifying the same;

(d) concurrently with the delivery of the financial statements referred to in clause (a) above, a certificate of the independent public accountants who certified such statements to the effect that, in making the examination necessary for the audit of such financial statements, they obtained no knowledge of any Default or Event of Default, or, if they shall have obtained knowledge of any Default or Event of Default, specifying the same;

(e) as soon as available, but in any event not later than 120 days after the end of each fiscal year of Owner's Agent, a balance sheet of Owner's Agent as at the end of such fiscal year and the related statements of income and of changes in financial position of Owner's Agent for such fiscal year, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout such fiscal year and accompanied by a report or opinion of independent public accountants of recognized standing selected by the Company and satisfactory to the Lender;

(f) as soon as available, but in any event not later than April 30 of each year commencing April 30, 1979 (i) a duplicate original of the annual report filed by Columbus & Greenville with the Interstate Commerce Commission or any governmental authority succeeding to all or a part of the functions thereof and (ii) a copy

of Columbus & Greenville's Annual Report to Shareholders for its most recent fiscal year;

(g) as soon as available, but in any event not later than 90 days after the end of each quarter, other than the last, of each fiscal year of Columbus & Greenville, an unaudited balance sheet of Columbus & Greenville as at the end of such quarter and the related unaudited statements of income and of changes in financial position of Columbus & Greenville for the period from the beginning of such fiscal year to the end of such quarter, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and certified by the chief financial office of Columbus & Greenville (subject to normal year-end audit adjustments);

(h) as soon as available, but in any event not later than April 30 of each year commencing April 30, 1979, a duplicate original of the annual report filed by Louisiana Midland with the Interstate Commerce Commission or any governmental authority succeeding to all or a part of the functions thereof;

(i) during any period when Columbus & Greenville or Louisiana Midland, as the case may be, shall not be required to file annual reports with the Interstate Commerce Commission or any successor governmental authority, as soon as available, but in any event not later than 120 days after the end of each fiscal year of such Person, a balance sheet of such Person as at the end of such fiscal year and the related statements of income and of changes in financial position of such Person, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout such fiscal year and accompanied by a report or opinion of independent public accountants of recognized standing selected by such Person and satisfactory to the Lender;

(j) during any period when the Company, Owner's Agent, Columbus & Greenville or Louisiana

Midland shall have one or more Subsidiaries, within the periods prescribed in clauses (a) and (b) above, clause (e) above or clause (i) above (to the extent Columbus & Greenville or Louisiana Midland is required to furnish financial statements pursuant to said clause (i)), as the case may be, financial statements of the character and for the period or periods and as of the date or dates specified in such clauses and certified or accompanied by a report or opinion of independent public accountants as therein provided, covering the financial condition, income and changes in financial position of the Company, Owner's Agent, Columbus & Greenville or Louisiana Midland, as the case may be, and each of its Subsidiaries on a consolidated basis and, with respect to the Company, if requested by the Lender, a consolidating basis; and

(k) promptly upon request, such additional financial and other information with respect to the Company, Owner's Agent, Columbus & Greenville and Louisiana Midland, as the Lender may from time to time reasonably require.

6.2 Reports. (a) The Company will furnish to the Lender as soon as available but in any event not later than 60 days after the close of each fiscal quarter of each fiscal year of the Company, a report setting forth the average utilization during such fiscal quarter of (i) all Box-cars owned by the Company and subject to the Management Agreement and (ii) all railroad rolling stock (including the Box-cars) owned by the Company whether or not subject to the Management Agreement, all in reasonable detail and certified by the principal financial officer of the Company. For the purpose of this Subsection 6.2, the "average utilization" of an item of railroad rolling stock owned by the Company during a fiscal quarter shall be determined by dividing the aggregate number of days in such fiscal quarter that car-hire charges are earned by such rolling stock by the aggregate number of days in such fiscal quarter that such rolling stock was owned by the Company.

(b) On or before March 31 in each year, commencing with the year 1980, the Company shall furnish or cause to be furnished to the Lender a report, certified by the chief

financial officer of the Company (i) setting forth as of the preceding December 31 (A) the amount, description and identifying numbers of all Units then subject to this Agreement, (B) the amount, description and identifying numbers of all Units that have suffered a Casualty Occurrence or are then undergoing repairs (other than running repairs) or have been withdrawn from use pending repairs (other than running repairs) during the preceding calendar year (or since the date of this Agreement in the case of the first such report), and (C) the aggregate amount paid into the Maintenance Account through such December 31 and the aggregate amount withdrawn and paid from the Maintenance Account through such date and (ii) stating that, in the case of all Units repaired or repainted during the period covered by such report, the numbers and markings required by Subsection 6.22 hereof have been preserved or replaced.

(c) The Company will prepare and deliver to the Lender within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lender) all reports (other than income tax returns), if any, relating to the maintenance, registration and operation of the Box-cars required to be filed by the Lender with any federal, state or other regulatory agency by reason of the Lender's lien on and security interest in the Box-cars or the provisions of this Agreement.

6.3 Limitation on Fundamental Changes. The Company will not enter into any transaction of merger or consolidation or change the form of organization of its business or liquidate or dissolve itself (or suffer any liquidation or dissolution), and the Company will not convey, sell, lease, transfer, pledge or otherwise dispose of, in one transaction or a series of related transactions, all or any substantial part of its properties, assets or business.

6.4 Payment of Taxes. The Company will promptly pay and discharge or cause to be paid and discharged, before the same shall become in default, all lawful taxes, assessments and governmental charges or levies imposed upon the Company, or upon any property, real, personal or mixed, belonging to the Company, or upon any part thereof, as well as all lawful claims for labor, materials and supplies which, if unpaid, might become a Lien upon any such property or any part thereof; provided, however, that the Company shall not be required to pay and discharge or to cause

to be paid and discharged any such tax, assessment, charge, levy or claim so long as (i) the validity thereof shall be contested in good faith by appropriate proceedings, (ii) such proceedings do not involve any reasonable danger of the sale, forfeiture or loss of such property or any part thereof, and (iii) the Company shall have set aside on its books adequate reserves with respect thereto.

6.5 Maintenance of Existence. The Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights and franchises necessary to continue its business.

6.6 Qualification. The Company will qualify as a foreign corporation and remain in good standing under the laws of each jurisdiction in which it is required to be qualified by reason of the ownership of its assets or the conduct of its business.

6.7 Compliance with Laws and Rules. The Company will (i) comply, and will use its best efforts to cause Columbus & Greenville, Owner's Agent and every user of the Box-cars to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Box-cars) with all laws of the jurisdictions in which its or Columbus & Greenville's, Owner's Agent's or such user's operations involving the Box-cars may extend, with the interchange rules of the American Association of Railroads and with all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other governmental authority exercising any power or jurisdiction over the Box-cars, to the extent that such laws or rules affect the title, operation or use of the Box-cars, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any Unit, the Company will conform therewith at its own expense and (ii) comply with all other applicable laws and regulations of any governmental authority relative to the conduct of its business or the ownership of its properties or assets, provided, however, that the Company may, in good faith, contest the validity or application of any such law or rule by appropriate proceedings which do not, in the opinion of the Lender, involve any reasonable danger of the sale, forfeiture or loss of the Box-cars or any part thereof.

6.8 Maintenance of Properties. The Company will at all times maintain and keep, or cause to be maintained and kept, in good repair, working order and condition all property of the Company used or useful in the conduct of its business, and will from time to time make or cause to be made all needful and proper repairs, renewals, replacements, betterments and improvements thereto, so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

6.9 Principal Office. The Company will not change the location of its principal place of business, its chief executive office or the place at which its books and records are kept from the address specified in Subsection 3.14 hereof unless it shall have given the Lender at least 30 days prior written notice of such change, and the Company will at all times maintain its principal place of business, chief executive office and the place at which its books and records are kept within the United States of America.

6.10 Indemnities, etc. (a) In any suit, proceedings or action brought by the Lender under the Management Agreement or the Agency Agreement or to enforce any provisions of either thereof, the Company will save, indemnify and keep the Lender harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of Columbus & Greenville or Owner's Agent, as the case may be, arising out of a breach by the Company of any obligation under or arising out of the Management Agreement, the Agency Agreement or any other agreement, indebtedness or liability at any time owing to or in favor of Columbus & Greenville or Owner's Agent from the Company, and all such obligations of the Company shall be and remain enforceable against and only against the Company and shall not be enforceable against the Lender.

(b) The Company agrees to indemnify and hold the Lender harmless against any and all liabilities, obligations, losses, damages, claims, suits, costs, expenses and disbursements (including legal fees and expenses) incurred by or asserted against the Lender with respect to claims for personal injury or property damage arising from its participation in the transactions contemplated by this Agreement, the Management Agreement, the Agency Agreement or the Notes.

6.11 Performance of Management Agreement and Agency Agreement. The Company will perform and comply in all material respects with all its obligations under the Management Agreement, the Agency Agreement and all other agreements to which it is a party or by which it is bound relating to the Collateral, and the Company will use its best efforts to cause each other party to any thereof to so perform and comply.

6.12 Preservation of Collateral. (a) The Company will not create, permit or suffer to exist, and will defend the Collateral against and take such other action as is necessary to remove, any Lien, claim or right in or to the Collateral (other than the lien and security interest created by this Agreement and Permitted Liens), and will defend the right, title and interest of the Lender in and to the Company's rights under the Management Agreement, the Agency Agreement and rights in the Box-cars and in and to the Proceeds thereof against the claims and demands of all other Persons whomsoever.

(b) The Company will not sell, transfer or otherwise dispose of any of the Collateral or attempt or offer to do so.

(c) The Company will not agree to or permit (i) any amendment or other modification of the Management Agreement or the Agency Agreement or (ii) any termination of the Management Agreement or the Agency Agreement in whole or in part.

(d) The Company will advise the Lender promptly, in reasonable detail, of any Lien or claim made or asserted against any of the Collateral and of any event affecting the Lender's lien on and security interest in the Collateral.

6.13 Location of Box-cars. The Company will not permit more than 15% of the Box-cars to be located outside the continental United States of America at any time.

6.14 Further Assurances; Recordation and Filing. The Company will, at its sole cost and expense, do, execute, acknowledge and deliver all further acts, supplements, mortgages, security agreements, conveyances, transfers and assurances necessary or advisable for the perfection and preservation of the lien and security interest created by this Agreement in the Collateral, whether now owned or

hereafter acquired. The Company will cause this Agreement and all Supplements hereto, the Agency Agreement, and all financing and continuation statements and similar notices requested by the Lender or required by applicable law, at all times to be kept, recorded and filed at no expense to the Lender in such manner and in such places as may be required by law in order fully to preserve and protect the rights of the Lender hereunder.

6.15 ICC Jurisdiction. The Company will not take or permit to be taken any action within its control which would subject it to the jurisdiction of the Interstate Commerce Commission as a "carrier", "railroad carrier" or "common carrier", as such terms are defined in Title 49, United States Code, if such jurisdiction will adversely affect the ability of the Company to perform its obligations under this Agreement, any Note, the Management Agreement or the Agency Agreement or adversely affect the validity or enforceability of this Agreement, any Note, the Management Agreement or the Agency Agreement.

6.16 Maintenance of Insurance. (a) Upon the delivery of any Box-cars the Company will promptly effect and maintain or cause to be effected and maintained with financially sound and reputable companies, insurance policies (i) insuring each such Box-car against loss by fire, explosion, theft and such other casualties as are usually insured against by companies engaged in the same or a similar business and with coverage in an aggregate amount at least equal to the aggregate unpaid principal amount of the Notes, (ii) insuring the Company and the Lender against liability for personal injury and property damage caused by or relating to such Box-cars or their use with coverage in the amount of at least \$5,000,000, and (iii) insuring the Company for the loss of revenues from any Unit which becomes inoperable due to damage, for an 80-day period commencing 10 days after the date of such damage, all such insurance policies to be in such form and to have such coverage as shall be satisfactory to the Lender, with losses payable to the Company and the Lender as their respective interests may appear.

(b) All insurance required by this Subsection 6.16 shall (i) be with a carrier acceptable to the Lender, (ii) name the Lender as an assured and loss-payee, as its interest may appear and (iii) provide for at least 30 days' prior written notice to the Lender before any cancellation, reduction in amount or change in coverage thereof shall be effective.

(c) The Company shall, if so requested by the Lender, deliver to the Lender within a reasonable time and as often as the Lender may reasonably request a report of a reputable insurance broker with respect to the insurance on the Box-cars.

6.17 Casualty Occurrence. (a) In the event of a Casualty Occurrence with respect to any Unit, the Company shall, promptly after receipt of notice of same, give the Lender written notice of such Casualty Occurrence, which notice shall (i) identify the Unit which has suffered the Casualty Occurrence, (ii) set forth the Casualty Value of such Damaged Unit (and the calculations used in the determination thereof) as of the date which is 45 days after the date of such notice (the "Casualty Value Determination Date"), and (iii) specify whether the Company will, on the Casualty Value Determination Date, prepay the Notes pursuant to paragraph (b) of this Subsection 6.17 or make a deposit into the Cash Collateral Account pursuant to paragraph (c) of this Subsection 6.17.

(b) If the notice given pursuant to paragraph (a) of this Subsection 6.17 specifies that the Company will prepay the Notes on the Casualty Value Determination Date, the Company will, on such date, (i) prepay one or more of the Notes in an aggregate principal amount equal to the Casualty Value of the Damaged Unit as of such date and (ii) pay the accrued interest on the principal amount so prepaid to the date of prepayment.

(c) If the notice given pursuant to paragraph (a) of this Subsection 6.17 specifies that the Company will make a deposit in the Cash Collateral Account, the Company will, on the Casualty Value Determination Date, pay over to the Lender for deposit by it in an account established by the Lender at Manufacturers Hanover Trust Company, New York, New York for such purpose (the "Cash Collateral Account"), an amount equal to the Casualty Value of the Damaged Unit as of the Casualty Value Determination Date. If within 180 days after the notice referred to in paragraph (a) of this Subsection 6.17 the Company

(i) replaces the Damaged Unit with a box-car of the same type which has a value and utility at least equal to, and which is in as good condition as, the Damaged Unit immediately prior to the Casualty Occurrence (assuming that such Damaged Unit was then in the condition required to be maintained by Subsection 6.18 hereof) and which

is free and clear of all Liens other than Permitted Liens,

(ii) takes all steps necessary to subject such replacement box-car (the "Replacement Unit") to the lien and security interest of this Agreement and to subject such Replacement Unit to the Management Agreement and the Agency Agreement, and

(iii) delivers to the Lender such documents evidencing the foregoing as the Lender may reasonably request, including (without limitation) a duly executed Supplement describing the Replacement Unit and documents and opinions of counsel with respect thereto corresponding to those described in paragraphs (c), (e) through (h), (k) and (l) of Subsection 4.2 hereof;

the Lender will, if no Default or Event of Default has occurred and is continuing, (x) release to the Company the amount deposited in the Cash Collateral Account with respect to the Damaged Unit and (y) execute and deliver to the Company such instruments as shall be necessary to release such Damaged Unit from the lien and security interest of this Agreement (without recourse to, or representation or warranty by, the Lender). If the Company does not replace the Damaged Unit within the aforesaid 180-day period in compliance with the preceding provisions of this paragraph (c), or if at any time within such period the Company gives at least 30 days' prior written notice to the Lender of its election to prepay the Notes, the Lender will, on the last day of such 180-day period or on a date specified in such notice, as the case may be, apply the amount deposited in the Cash Collateral Account with respect to such Damaged Unit to the prepayment of the principal amount of one or more of the Notes (to be selected by the Lender), and the Company will concurrently therewith pay to the Lender the accrued interest on the principal amount so prepaid to the date of prepayment.

(d) All moneys at any time on deposit in the Cash Collateral Account shall constitute additional collateral security for the Obligations. So long as no Event of Default shall have occurred and be continuing, the Lender will, if requested by the Company and at the Company's risk and expense, cause the moneys on deposit in the Cash Collateral Account to be invested in such investments described in paragraph (a) of Section 3.1 of the Security Deposit Agreement as the Company may from time to time request, provided

that the Lender may cause such investments to be sold (i) to the extent necessary to provide sufficient cash for release to the Company or for prepayment of the Notes pursuant to paragraph (c) of this Subsection 6.17 or (ii) upon the occurrence of an Event of Default. Upon the maturity or the sale of any such investment, (x) if the net proceeds thereof plus any interest received by the Lender thereon shall be less than the cost (including accrued interest) thereof, the Company will promptly pay to the Lender for deposit in the Cash Collateral Account an amount equal to such deficiency, or (y) if the net proceeds thereof plus any interest received by the Lender thereon shall be greater than the cost (including accrued interest) thereof and no Default or Event of Default shall be in existence, the Lender will promptly pay such excess to the Company.

6.18 Maintenance; Maintenance Account. (a)

The Company will, at its expense, keep and maintain the Box-cars in good repair, condition and working order, eligible for interchange with other railroads pursuant to Association of American Railroads Interchange Standards, and will cause to be furnished all parts, mechanisms, devices and servicing required therefor so that the value, condition and operating efficiency thereof will at all times be maintained and preserved, ordinary wear and tear excepted.

(b) The Company will, in furtherance and not in limitation of its obligations under paragraph (a) above, pay directly into a cash collateral account to be established by the Lender at Manufacturers Hanover Trust Company and entitled "Cantor, Fitzgerald Equities Corp. - Maintenance Account" (the "Maintenance Account") in accordance with the terms and provisions of the Security Deposit Agreement, the amounts hereinafter provided for on the dates hereinafter provided for. The amount to be paid by the Company for each year, commencing with the year beginning on the earlier of (i) March 31, 1979 or (ii) the latest date on which any Note is issued by the Company hereunder (the "Issue Date"), shall be equal to the product obtained by multiplying the number of Box-cars subject to the lien and security interest of this Agreement at the beginning of such year by the annual rate per Box-car hereinafter specified. The annual rate per Box-car for the first such year shall be \$500 and the annual rate per Box-car for each subsequent year shall be increased by \$25 over the annual rate per Box-car for the immediately preceding year. Such amounts shall be payable quarterly in arrears commencing on the day of the third calendar month

after the Issue Date corresponding to the Issue Date and on the same day of each third calendar month thereafter (or if any such month does not have a corresponding day, then on the last day of such month).

6.19 Notice of Default; etc. The Company will promptly give written notice to the Lender of (a) the occurrence of any Default or Event of Default; (b) any litigation or proceedings relating to the Collateral; (c) any litigation or proceedings affecting the Company or any of its properties or assets which, if adversely determined, might have a material adverse effect upon the financial condition, business or operations of the Company; and (d) any dispute between the Company and any governmental regulatory body that might materially interfere with the normal business operations of the Company.

6.20 Books and Records. The Company will keep proper books of record and account in which full, true and correct entries in accordance with generally accepted accounting principles will be made of all dealings or transactions in relation to its business and activities.

6.21 Inspection. The Company will permit any person designated by the Lender to visit and inspect any of the properties, corporate books and financial records of the Company and to discuss the affairs, finances and accounts of the Company with its respective officers, all at such reasonable times and as often as the Lender may reasonably request.

6.22 Marking of Box-cars. The Company will cause each Unit to be numbered at all times with such identification number as shall be set forth in the Supplement pertaining to such Unit and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the following words: "MORTGAGED TO A FINANCIAL INSTITUTION UNDER A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION" or other appropriate words designated by the Lender, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lender's interest in the Box-cars and its rights under this Agreement. The Company will not permit any such Unit to be placed in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace or will cause

to be replaced promptly any such words which may be removed, defaced or destroyed. The Company will not permit the identifying number of any Unit to be changed except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been delivered to the Lender and filed, recorded and deposited by the Company in all public offices where this Agreement shall have been filed, recorded or deposited.

SECTION 7. POWER OF ATTORNEY

7.1 Appointment. The Company hereby irrevocably constitutes and appoints the Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Company and in the name of the Company or in its own name, from time to time in the Lender's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, the Company hereby gives the Lender the power and right, on behalf of the Company, without notice to or assent by the Company, to do the following:

(a) upon default by the Company in the performance of Subsection 6.4 or 6.16, the Lender may, but shall not be obligated to, (i) effect any insurance called for by the terms of Subsection 6.16 and pay all or any part of the premiums therefor and the costs thereof and (ii) pay and discharge any taxes, liens and encumbrances on the Collateral; and

(b) upon the occurrence and continuance of any Event of Default or of any Default specified in paragraph (j) of Section 8 hereof, (i) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (ii) to endorse any checks, drafts or other orders for the payment of money payable to the Company in connection with the Collateral; (iii) to sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts and other documents relating to the Collateral; (iv) to commence

and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any of the Collateral; (v) to defend any suit, action or proceeding brought against the Company with respect to any of the Collateral; (vi) to settle, compromise or adjust any suit, action or proceeding described in clause (v) above and, in connection therewith, to give such discharges or releases as the Lender may deem appropriate; and (vii) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Lender were the absolute owner thereof for all purposes, and to do, at the Lender's option and the Company's expense, at any time or from time to time, all acts and things which the Lender deems necessary to protect, preserve or realize upon the Collateral and the Lender's security interest therein, in order to effect the intent of this Agreement, all as fully and effectively as the Company might do.

The Company hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

7.2 No Duty. The powers conferred on the Lender hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to the Company for any act or failure to act, except for its or their own gross negligence or willful misconduct.

7.3 Additional Rights. (a) The Company authorizes the Lender, at any time and from time to time, (i) to communicate in its own name with regard to the assignment of the Management Agreement and other matters related thereto and (ii) to execute, in connection with the sale provided for in Section 9(b) of this Agreement, any indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(b) If the Company fails to perform or comply with any of its agreements contained herein, the Lender

may itself perform or comply, or otherwise cause performance or compliance, with such agreement, and the expenses of the Lender incurred in connection with such performance or compliance, together with interest thereon at the rate of 18% per annum, shall be payable by the Company to the Lender on demand and shall constitute part of the Obligations secured hereby.

SECTION 8: EVENTS OF DEFAULT

If any of the following Events of Default shall occur and be continuing:

(a) Failure to pay any principal of, premium, if any, or interest on any of the Notes when due;

(b) Any representation or warranty made by the Company in this Agreement, or made by the Company or any officer thereof in any document, certificate or financial or other statement furnished at any time under or in connection with this Agreement, shall prove to have been untrue or inaccurate in any material respect at the time when made;

(c) Default by the Company in the observance or performance of any covenant contained in Subsection 6.3, 6.12(b), 6.12(c), 6.13, 6.16(a), 6.16(b), 6.17 or 6.18(b) hereof;

(d) Default by the Company in the observance or performance of any other covenant or agreement contained in this Agreement and the continuance of such default for 30 days;

(e) The occurrence of an Event of Default (as defined in the Management Agreement) under the Management Agreement;

(f) The occurrence of an Event of Default (as defined in the Agency Agreement) under the Agency Agreement.

(g) Cantor, Fitzgerald Securities Corp. shall cease to be the record and beneficial owner of all of the issued and outstanding capital stock of the Company without the prior written consent of the Lender, which shall not unreasonably be withheld;

(h) Default by the Company in any payment of principal of, or interest on, any obligation for borrowed money (other than the Notes) or for the deferred purchase price of any property or asset or any obligation guaranteed by it or in respect of which it is liable, for a period equal to the period of grace, if any, applicable to such default, or in the performance or observance of any other term, condition or covenant contained in any such obligation or in any agreement or instrument relating thereto if the effect of such default is to cause or to permit the holder or holders of such obligation (or a trustee or agent on behalf of such holder or holders) to cause, such obligation to become due and payable prior to its stated maturity or to realize upon any collateral given as security therefor unless the aggregate amount involved in all such defaults is less than \$50,000;

(i) Filing by the Company of a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under any bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement, composition, readjustment of debt or other similar act or law of any jurisdiction, domestic or foreign, now or hereafter existing, or any action by the Company indicating its consent to, approval of, or acquiescence in, any such petition or proceeding; the application by the Company for, or the appointment by consent or acquiescence of, a receiver or trustee for the Company or for all or a substantial part of its property; the making by the Company of an assignment for the benefit of creditors; the inability of the Company, or the admission by the Company in writing of its inability, to pay its debts as they mature;

(j) Filing of an involuntary petition against the Company in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under any bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement, composition, readjustment of debt or other similar act or law of any jurisdiction, domestic or foreign, now or hereafter existing; or the involuntary appointment of a receiver

or trustee of the Company or for all or a substantial part of its property; or the service on the Company of a warrant of attachment, execution or similar process against any substantial part of the property of the Company; and the continuance of any of such events for 60 days undismissed, unbonded or undischarged;

(k) Two consecutive utilization reports delivered to the Lender pursuant to the provisions of Subsection 6.2(a) hereof shall reflect an average utilization of the Box-cars owned by the Company and subject to the Management Agreement of less than 80%;

(l) Final judgment for the payment of money in excess of \$50,000 shall be rendered against the Company and the same shall remain undischarged for a period of 60 days during which execution shall not be effectively stayed;

then, and in any such event, the Lender may exercise any and all remedies granted to it under this Agreement and under applicable law, and may further, by notice of default given to the Company, (i) terminate forthwith its commitment to make Loans hereunder, and/or (ii) declare the Notes to be forthwith due and payable, whereupon such commitment shall terminate and/or the unpaid principal amount of the Notes, together with accrued interest thereon, shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Notes to the contrary notwithstanding.

SECTION 9. REMEDIES

If an Event of Default shall occur and be continuing:

(a) All payments received by the Company in connection with or arising out of any of the Collateral shall be held by the Company in trust for the Lender, shall be segregated from other funds of the Company and shall forthwith upon receipt by the Company be turned over to the Lender, in the same form as received by the Company (duly indorsed by the Company to the Lender, if required); any and all such payments so received by the Lender (whether from

the Company or otherwise) may, in the sole discretion of the Lender, be held by the Lender as collateral security for the Obligations, and/or then or at any time thereafter applied in whole or in part by the Lender against all or any part of the Obligations then due in such order as the Lender shall elect. Any balance of such payments held by the Lender and remaining after payment in full of all the Obligations shall be paid over to the Company or to whomsoever may be lawfully entitled to receive the same;

(b) To the extent not prohibited by applicable law, the Lender may exercise in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Uniform Commercial Code of the State of New York. Without limiting the generality of the foregoing, the Company expressly agrees that in any such event the Lender, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon the Company or any other person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may forthwith collect, receive, appropriate and realize upon the Collateral or any part thereof and may take possession of the Box-cars and/or may forthwith sell, assign, give option or options to purchase, or sell, lease or otherwise dispose of and deliver the Collateral, or any part thereof, in any manner permitted by applicable law (or contract to do so) in one or more parcels at public or private sale or sales, at the office of any broker or at any of the Lender's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk, with the right of the Lender upon any such sale or sales, public or private, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Company, which right or equity of redemption is hereby expressly waived or released. If any notification of intended disposition of any of the Collateral is required by law, such notification shall be deemed reasonably and properly given if mailed at least fifteen (15) days before such disposition, postage prepaid, addressed to the Company at the address set forth in Subsection 10.3 hereof. The Company further

agrees, at the Lender's request, to collect the Box-cars and make them available to the Lender as hereinafter provided. The Lender shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization and sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care, safekeeping or otherwise of any or all of the Collateral or in any way relating to the rights of the Lender hereunder, including reasonable attorney's fees and legal expenses, to the payment in whole or in part of the Obligations, in such order as the Lender may elect, the Company remaining liable for any deficiency remaining unpaid after such application, and only after so applying such net proceeds and after the payment by the Lender of any other amount required by any provision of law, including Section 9-504(1)(c) of the Uniform Commercial Code of the State of New York, need the Lender account for the surplus, if any, to the Company. To the extent permitted by applicable law, the Company waives all claims, damages and demands against the Lender arising out of the repossession, retention or sale of the Collateral. The Company shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which the Lender is entitled, the Company also being liable for the fees of any attorneys employed by the Lender to collect such deficiency. The Company hereby waives presentment, demand, protest and any notice (to the extent permitted by applicable law) of any kind in connection with this Agreement or any Collateral; and

(c) In the event that the lender shall request that the Box-cars be collected as provided in paragraph (b) of this Section 9, the Company shall, at its own risk and expense (i) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and to all railroads to which any Unit or Units have been interchanged to return the Unit or Units so interchanged) place such Units upon such storage tracks as the Lender reasonably may designate; (ii) permit the Lender to store such Units on such tracks until such Units have been sold, leased or otherwise disposed of by the Lender; and (iii) transport the same to any connecting carrier for shipment, all as directed

by the Lender. The assembling, delivery, storage and transporting of the Box-cars as hereinbefore provided shall be at the expense and risk of the Company and are of the essence of this Agreement, and upon application to any court of equity having jurisdiction in the premises the Lender shall be entitled to a decree against the Company requiring specific performance of the covenants of the Company so to assemble, deliver, store and transport the Box-cars. During any storage period, the Company will, at its own cost and expense, maintain and keep the Box-cars in good order and repair and will permit the Lender or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessor or manager of any Unit, to inspect the same. The Company hereby expressly waives any and all claims against the Lender and its agent or agents for damages of whatsoever nature in connection with any retaking of any Unit in any reasonable manner.

(d) Beyond the use of reasonable care in the custody thereof the Lender shall not have any duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of it or as to any income therefrom.

SECTION 10. MISCELLANEOUS

10.1 Withdrawals from Maintenance Account. So long as no Event of Default has occurred and is continuing, the Company shall be entitled to have withdrawn and paid from the Maintenance Account amounts properly incurred by it in connection with the maintenance of the Box-cars required by Subsection 6.18(a) hereof. Whenever the Company shall seek payment from the Maintenance Account for such expenditures, it shall submit to the Lender a Withdrawal Request. Upon receipt of such Withdrawal Request, properly completed by the Company and accompanied by copies of invoices or other evidence with respect to such expenditures satisfactory to the Lender, the Lender shall countersign such Withdrawal Request and deliver the same to Manufacturers Hanover Trust Company, as Agent under the Security Deposit Agreement.

10.2 Reimbursement of Lender. The Company agrees, whether or not the transactions contemplated by this Agreement shall be consummated, to pay, or reimburse the Lender

for, all costs and expenses (including the reasonable legal fees and disbursements of counsel for the Lender) incurred by the Lender in connection with the preparation, execution, enforcement (or the preservation of any rights hereunder) and any modification of this Agreement, the Notes and any Supplement. The Company also agrees to pay, and to save the Lender harmless from, any and all liabilities with respect to, or resulting from any delay in paying documentary, excise, recording, filing, stamp or similar taxes, fees and other governmental charges (including interest and penalties), if any, which may be payable or determined to be payable in respect of the execution, delivery or recording of this Agreement, the Notes or any Supplement, or any modification of any thereof or any waiver or consent under or in respect of any thereof. The obligations of the Company under this Subsection 10.2 shall survive payment of the Notes and termination of this Agreement.

10.3 Notices. All notices, requests and demands to or upon the respective parties to this Agreement shall be in writing and shall be deemed to have been given or made when delivered by hand or deposited in the mail, first class postage prepaid, addressed as follows or to such other address as may be hereafter designated in writing by the respective parties hereto:

The Company: Cantor, Fitzgerald Equities Corp.
1345 Avenue of the Americas
New York, New York 10019
Attention: William Miller

With a copy to:

Kronish, Lieb, Shainswit,
Weiner & Hellman
1345 Avenue of the Americas
New York, New York 10019
Attention: Steven K. Weinberg, Esq.

The Lender: Manufacturers Hanover Leasing
Corporation
30 Rockefeller Plaza
New York, New York 10020
Attention: Secretary

10.4 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Lender, any right, power or privilege under this Agreement, any Note, any Supplement or any of the

Collateral shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided herein and therein are cumulative and not exclusive of any rights or remedies provided by law.

10.5 Amendments and Waivers. The provisions of this Agreement may from time to time be amended, supplemented or otherwise modified or waived only by a written agreement signed by the Company and the Lender.

10.6 Successors. This Agreement shall be binding upon and inure to the benefit of the Company and the Lender and their respective successors and assigns, except that the Company may not transfer or assign any of its rights hereunder without the prior written consent of the Lender.

10.7 Survival of Representations. All representations and warranties herein contained or made in writing in connection with this Agreement shall survive the execution and delivery of this Agreement and the making of the Loans hereunder and shall continue in full force and effect until all sums due and to become due hereunder and under the Notes shall have been paid in full.

10.8 Construction. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

10.9 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Counterparts. This Agreement may be executed by one or more of the parties hereto on any number of separate counterparts and all of said counterparts

taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

CANTOR, FITZGERALD EQUITIES CORP.

By *[Signature]*
Title: *Pres.*

Attest:

By *Joel Rothstein*
Title: *treasurer*
(Seal)

MANUFACTURERS HANOVER LEASING CORPORATION

By *George G. Khan*
Title: *Vice President*

Attest:

By *Michaela. Rosato*
Title: *Vice President & Secretary*
(Seal)

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

On this 8th day of March, 1979, before me personally appeared William P. Miller, to me known, who, being duly sworn, did depose and say that he resides at 13 The Intervale, Roslyn Estates, New York; that he is President of CANTOR, FITZGERALD EQUITIES CORP., one of the corporations described in and which executed the foregoing document; that he knows the seal of said corporation; that one of the seals affixed to said instrument is such corporation's seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Peter W. Stutz
Notary Public

(Notarial Seal)

PETER W. STUTZ
NOTARY PUBLIC, State of New York
No. 32-4355-1
Qualified in New York County
Commenced Office March 29, 19 79

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

On this 8th day of March, 1979, before me personally appeared GEORGE J. THEN, to me known, who, being duly sworn, did depose and say that he resides at 3111 Poplar Street, Yorktown Heights, New York; that he is a Vice President of MANUFACTURERS HANOVER LEASING CORPORATION, one of the corporations described in and which executed the foregoing document; that he knows the seal of said corporation; that one of the seals affixed to said instrument is such corporation's seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Peter W. Stutz

Notary Public

ELLEN V. CURRAN
NOTARY PUBLIC, State of New York
No. 05-198300
Qualified in New York County
Commission Expires March 30, 80 79

[Notarial Seal]

[Form of Note]

CANTOR, FITZGERALD EQUITIES CORP.

\$

New York, New York
, 1979

FOR VALUE RECEIVED, CANTOR, FITZGERALD EQUITIES CORP., a Delaware corporation (the "Company") hereby promises to pay to the order of MANUFACTURERS HANOVER LEASING CORPORATION at its office located at 30 Rockefeller Plaza, New York, New York, in lawful money of the United States of America, the principal amount of _____ Dollars (\$ _____), and to pay interest on the unpaid principal amount hereof, in like money, from the date hereof to and including _____, 1979 at the rate of 4.756% per annum and thereafter at the rate of 12.0762% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Such principal and interest shall be due and payable in 60 consecutive quarterly installments on the _____ day of _____ and _____ in each year, commencing _____, 1979. The first such installment shall be a payment of principal and interest in the amount of \$ _____ and each of the 2nd through the 60th such installments shall be a payment of principal and interest in the amount of \$ _____, provided that, in any event, the 60th quarterly installment shall be in amount sufficient to pay in full all accrued interest on, and the entire unpaid principal amount of, this Note, and provided further, that in the event any partial prepayment of this Note is made pursuant to Subsection 2.4 or 2.5 of the Agreement referred to below, each installment due and payable on this Note after such partial prepayment shall be reduced in the same proportion as the then outstanding principal amount of this Note shall have been reduced by such partial prepayment. Each installment of this Note, when paid, shall be first applied to the payment of interest on the unpaid principal amount of this Note, and the balance thereof to the payment of principal. Interest on any overdue principal of and premium, if any, on this Note shall be payable from the due date thereof at the rate of 18% per annum for the period during which such principal or premium shall be overdue.

If any installment of principal and interest on this Note becomes due and payable on a Saturday, Sunday or

legal holiday under the laws of the State of New York, the maturity thereof shall be extended to the next succeeding business day.

This Note is one of the Notes of the Company issued pursuant to the Loan and Security Agreement dated as of March 8 , 1979 between the Company and the payee hereof (herein, as the same may from time to time be amended, supplemented or otherwise modified, called the "Agreement"), and is entitled to the benefits thereof. As provided in the Agreement, this Note is subject to prepayment, in whole or in part, in certain cases without premium and in other cases with a premium as specified in the Agreement.

This Note is secured by the Collateral described in the Agreement. Reference is made to the Agreement for a description of the nature and extent of the security for this Note and the rights of the holder hereof with respect to such security.

This Note shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

Upon the occurrence of any one or more of the Events of Default specified in the Agreement, the amounts then remaining unpaid on this Note may be declared to be immediately due and payable as provided in the Agreement.

CANTOR, FITZGERALD EQUITIES CORP.

By _____
Title:

[Form of Louisiana Midland Agreement]

Manufacturers Hanover Leasing
Corporation
30 Rockefeller Plaza
New York, New York 10020

Gentlemen:

This letter is being delivered to you pursuant to Subsection 4.1(p) of the Loan and Security Agreement, dated as of March 8, 1979 (the "Agreement"), between Cantor, Fitzgerald Equities Corp. ("Cantor") and you.

The undersigned hereby agrees for your benefit that in the event the Restated and Amended Management Agreement, dated as of August 1, 1978 (the "Management Agreement") between Cantor and Columbus & Greenville Railway Company is terminated due to the occurrence of an Event of Default thereunder, the undersigned will at your request or at the request of Cantor, manage the Box-cars with respect to which you shall have a lien and security interest under the Agreement on substantially the same terms as set forth in the Restated and Amended Management Agreement.

The undersigned understands that you are relying upon the undersigned's commitment set forth hereinabove in making loans to Cantor under the Agreement and waives all notice of the making of such loans and agrees that each such loan shall be deemed to have been made in reliance upon such commitment.

Very truly yours,

LOUISIANA MIDLAND RAILWAY

By _____
Title:

[Form of Security Deposit Agreement]

SECURITY DEPOSIT AGREEMENT

SECURITY DEPOSIT AGREEMENT dated _____, 1979
among CANTOR, FITZGERALD EQUITIES CORP., a Delaware corpora-
tion (the "Company"), MANUFACTURERS HANOVER LEASING CORPORA-
TION, a New York corporation ("MHLC") and MANUFACTURERS
HANOVER TRUST COMPANY of New York, New York.

W I T N E S S E T H :

WHEREAS, the Company and MHLC have entered into
a Loan and Security Agreement dated as of March 8, 1979,
(herein, as the same may from time to time be amended,
supplemented or otherwise modified, called the "Loan Agree-
ment") pursuant to which MHLC has agreed to make loans to
the Company in an aggregate principal amount not to exceed
\$4,680,000, which loans are to be evidenced by promissory
notes of the Company (the "Notes"); and

WHEREAS, the Loan Agreement provides for the estab-
lishment of a cash collateral account by MHLC at Manufacturers
Hanover Trust Company entitled "Cantor, Fitzgerald Equities
Corp. - Maintenance Account" and obligates the Company to
make periodic payments into said account; and

WHEREAS, the execution and delivery of this Agree-
ment is a condition precedent to the obligation of MHLC to
make the loans to the Company under the Loan Agreement;

NOW, THEREFORE, in consideration of the premises
and other good and valuable consideration, the receipt of
which is hereby acknowledged, the parties hereto agree as
follows:

ARTICLE ONE

1.1 Definitions. Unless otherwise defined herein, terms defined in the Loan Agreement shall have such defined meanings when used herein.

1.2 Appointment of Agent. MHLIC hereby appoints Manufacturers Hanover Trust Company as its agent under this Agreement (the "Agent") and hereby authorizes the Agent to take such action on its behalf and to exercise such powers and to perform such duties hereunder as are specifically delegated to or required of the Agent by the terms hereof, together with such powers as are reasonably incidental thereto. Manufacturers Hanover Trust Company agrees to act as the agent of MHLIC on the terms and conditions of this Agreement.

ARTICLE TWO

2.1 Maintenance Account. (a) In accordance with the terms of the Loan Agreement and prior to or concurrently with the making of the initial Loan by MHLIC thereunder, there shall be established by MHLIC with the Agent a cash collateral account entitled "Cantor, Fitzgerald Equities Corp. - Maintenance Account" (Account No.) (the "Maintenance Account"), which Maintenance Account shall be maintained at all times until termination thereof in accordance with Section 2.3 hereof. All monies and securities in the Maintenance Account shall constitute collateral security for the payment by the Company of the Obligations and shall at all times be subject to the control of MHLIC, acting through the Agent, provided that the Agent shall act with respect to the Maintenance Account in accordance with the terms of this Agreement.

(b) The Company shall make payments directly into the Maintenance Account in the amounts and at the times specified in Subsection 6.18(b) of the Loan Agreement. All such payments and all income earned with respect thereto are herein collectively referred to as the "Pledged Deposits".

(c) The Company shall not have any rights or powers with respect to the Pledged Deposits or any part thereof, except as provided in Sections 2.3, 3.1 and 4.1

of this Agreement and except the right to have such Deposits applied in accordance with the provisions of Section 2.2 hereof.

2.2 Application of Pledged Deposits. (a) Pledged Deposits from time to time remaining on deposit in the Maintenance Account shall be subject to withdrawal upon receipt by the Agent of a Withdrawal Request signed by the Company and countersigned by MHLC. MHLC authorizes and directs the Agent, and the Agent agrees that it will, upon receipt of a Withdrawal Request, promptly withdraw from the Maintenance Account and pay to the person or persons specified in such Withdrawal Request, the amounts set forth therein (up to but not exceeding the amount then remaining on deposit in the Maintenance Account).

(b) If MHLC shall at any time notify the Agent that an Event of Default has occurred and is continuing, then the Agent shall if and to the extent requested by MHLC from time to time promptly withdraw the Pledged Deposits from the Maintenance Account and deliver the same to MHLC, such Deposits to be applied by MHLC to the payment of the Obligations in such order as it may determine.

(c) Nothing contained in this Section 2.2 or elsewhere in this Agreement is intended to or shall impair, diminish or alter the obligation of the Company, which is absolute and unconditional, to pay to MHLC all principal of and interest on the Notes and all amounts payable under the Loan Agreement as and when the same shall become due and payable in accordance with their respective terms.

2.3 Release of Pledged Deposits. When the Obligations shall have been paid, performed and discharged in full, MHLC shall so inform the Agent and instruct the Agent to distribute the funds then on deposit in the Maintenance Account to the Company. The Agent agrees to distribute such funds to the Company upon receipt of such instruction, whereupon the Maintenance Account shall terminate.

ARTICLE THREE

3.1 Investment. (a) Cash held by the Agent in the Maintenance Account (i) shall not be invested or reinvested except as provided in the following paragraph (b), and (ii) shall not bear interest.

(b) MHLC hereby authorizes and directs the Agent (unless MHLC shall have notified the Agent that a Default or Event of Default has occurred and is continuing under the Loan Agreement) to invest or reinvest any cash held in the Maintenance Account, in accordance with written instructions of the Company, in the following securities: (i) marketable obligations of the United States of America, (ii) negotiable certificates of deposit issued by any member bank of the Federal Reserve System with a capital and surplus of at least \$300,000,000 and organized under the laws of the United States of America or any state thereof and (iii) commercial paper rated Prime-1 by Moody's Investors Services, Inc. or A-1 by Standard and Poor's Corporation, provided, that such securities shall mature not later than 90 days after the date of investment and provided, further, that the Agent shall be under no obligation to invest such cash in an amount less than \$10,000. Unless MHLC shall have notified the Agent that a Default or Event of Default has occurred and is continuing under the Loan Agreement, all interest earned on the investments (less an amount equal to accrued interest paid upon purchase) shall be paid by the Agent to the Company as received.

(c) The Agent shall sell all or any designated part of the securities held in the Maintenance Account if (i) so directed by the Company pursuant to written instructions or (ii) at any time the proceeds thereof are required for any withdrawal of moneys from the Maintenance Account as provided in Article Two of this Agreement. If any such sale (or any payment at maturity) produces a net sum less than the cost (including accrued interest paid as such) of the securities so sold or paid, the Agent shall give written notice to the Company of such deficiency and the Company shall promptly pay to the Agent cash in an amount equal to such deficiency for deposit into the Maintenance Account. If any such sale (or in payment at maturity) produces a net sum greater than the cost (including accrued interest paid as such) of the securities so sold or paid, the Agent shall, unless MHLC shall have notified the Agent that a Default or Event of Default has occurred and is continuing under the Loan Agreement, promptly pay the excess to the Company.

(d) All such securities, the interest thereon, and the net proceeds of the sale or payment thereof (to the extent such interest and proceeds shall not have been paid to the Company in accordance with the terms hereof) plus any deficiency paid by the Company to the Agent shall be held in the Maintenance Account for the same purposes as the cash used to purchase such securities.

ARTICLE FOUR

4.1 Agent's Fees, Expenses and Responsibilities.

The Company agrees to pay the reasonable fees and expenses (including reasonable counsel fees) of the Agent incurred in connection with its execution and delivery of this Agreement and the performance of its duties hereunder. The duties of the Agent are only such as are specifically provided herein or as provided by any written instructions signed by the party hereto who is authorized hereunder to deliver such instructions to the Agent. The duties of the Agent are purely ministerial in nature, and the Agent shall incur no liability whatsoever, except for willful misconduct or gross negligence. The Agent shall be under no responsibility in respect of any of the moneys deposited with it other than to comply with the specific duties and responsibilities herein set forth or written instructions herein provided for and, without limiting the generality of the foregoing, the Agent shall have no obligation or responsibility (i) to determine whether any deposit in the Maintenance Account is proper, (ii) to determine whether the existence of a Default or Event of Default under the Loan Agreement shall restrict or require any action of the Agent hereunder other than as may be specified in any written instructions of MHLIC delivered pursuant to this Agreement or (iii) for any loss incurred in connection with the sale of any securities pursuant to Section 3.1 hereof. The Agent may consult with counsel and shall be fully protected in any action taken in accordance with such advice. The Agent shall be fully indemnified by the Company against any liability, except for liability resulting from its own willful misconduct or gross negligence, and against the cost and expense of defending any legal proceedings which may be instituted against it in respect of the subject matter of this Agreement (including counsel fees), but the Agent shall not be required to institute legal proceedings of any kind. The Agent shall have no responsibility for the genuineness or validity of any document or other item deposited with it and shall be fully protected in acting in accordance with any written instructions given it hereunder and believed by it to have been signed by the proper party or parties.

4.2 Representations and Warranties of the Company. The Company hereby represents and warrants to MHLIC and to the Agent that the execution, delivery and performance of this Agreement has been duly authorized by the Company, and this Agreement has been duly executed and delivered by the Company and constitutes a valid, legal and binding obligation of the Company, enforceable in accordance with its terms.

4.3 Notices. All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and may be made or delivered in person or by registered mail or certified mail, postage prepaid, addressed to such party as provided below, or to such other address as such party may hereafter specify in a written notice to the other parties named herein and shall be effective upon receipt by the addressee thereof.

The Agent: Manufacturers Hanover Trust Company
Corporate Trust Department
40 Wall Street
New York, New York 10015
Attention: Escrow Administration

MHLC: Manufacturers Hanover Leasing
Corporation
30 Rockefeller Plaza
New York, New York 10020
Attention: Secretary

The Company: Cantor, Fitzgerald Equities Corp.
1345 Avenue of the Americas
New York, New York 10019
Attention: William Miller

With a copy to:

Kronish, Lieb, Shainswit,
Weiner & Hellman
1345 Avenue of the Americas
New York, New York 10019
Attention: Steven K. Weinberg, Esq.

4.4 Amendments and Supplements. No Agreement shall be effective to amend, supplement or discharge in whole or in part this Agreement unless such Agreement is in writing, signed by the parties hereto. This Agreement shall be binding upon or shall inure to the benefit of the successors and assigns of the parties hereto.

4.5 Resignation, Removal and Succession of Agent. (a) The Agent may resign at any time by giving 60 days' prior written notice to MHLC. The Agent may be removed at any time by MHLC upon 60 days' prior written notice by MHLC to the Agent. MHLC agrees to furnish the Company with copies of all notices given or received by it pursuant to this paragraph (a).

(b) If any notice of resignation or removal shall have been given pursuant to paragraph (a) of this Section, then a successor Agent shall be appointed by MHLIC.

(c) Upon appointment and acceptance as Agent, each successor agent shall forthwith, without further act or deed, succeed to all the rights and duties of its predecessor under this Agreement. Such predecessor shall promptly deliver to such successor Agent all sums and securities held hereunder, together with all the records and other documents necessary and appropriate in connection with the performance of the duties of the successor Agent under this Agreement. Upon the written request of the successor Agent or MHLIC, and upon payment of all amounts due to such predecessor under this Agreement, such predecessor shall transfer, assign and confirm to the successor Agent all its rights under this Agreement by executing and delivering from time to time to the successor Agent such further instruments and by taking such other action as may reasonably be deemed by such successor Agent or MHLIC to be necessary and appropriate in connection therewith.

4.6 Nature of Agency and Account. The Company understands and agrees that the Agent is acting hereunder solely as the Agent of MHLIC, and that all moneys and securities at any time on deposit in the Maintenance Account are in the possession and control of MHLIC.

4.7 Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date and year first above written.

CANTOR, FITZGERALD EQUITIES CORP.

By _____
Title:

MANUFACTURERS HANOVER LEASING
CORPORATION

By _____
Title:

MANUFACTURERS HANOVER TRUST
COMPANY

By _____
Title:

[Form of Supplement]

SUPPLEMENT NO.

to

LOAN AND SECURITY AGREEMENT

between

CANTOR, FITZGERALD EQUITIES CORP.

and

MANUFACTURERS HANOVER LEASING CORPORATION

Dated as of March , 1979

SUPPLEMENT NO.

SUPPLEMENT NO. _____ to Loan and Security Agreement (the "Agreement") dated as of March 8, 1979 between CANTOR, FITZGERALD EQUITIES CORP. (the "Company") and MANUFACTURERS HANOVER LEASING CORPORATION (the "Lender").

1. This Supplement is executed and delivered pursuant to the Agreement in order to more particularly identify certain of the Collateral in which the Company has granted a lien and security interest to the Lender, and to confirm the lien and security interest created by the Agreement on such Collateral. Any term defined in the Agreement and used herein shall have its defined meaning herein.

2. The Company has assigned, conveyed, mortgaged, pledged and transferred to the Lender and granted to the Lender a security interest in, and does hereby assign, convey, mortgage, pledge and transfer to the Lender and grant to the Lender a security interest in, the following described Box-cars and any Proceeds thereof:

<u>Number of Cars</u>	<u>A.A.R. Mech. Design</u>	<u>Description</u>	<u>Identifying Numbers (Both Inclusive)</u>	<u>Markings</u>
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3. All the terms and conditions of the Agreement are hereby incorporated in this Supplement and made a part hereof. By their execution and delivery of this Supplement the parties hereto hereby reaffirm all of the terms and conditions of the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Supplement on this _____ day of _____, 1979.

CANTOR, FITZGERALD EQUITIES CORP.

By _____
Title:

MANUFACTURERS HANOVER LEASING
CORPORATION

By _____
Title:

[Form of Withdrawal Request]

Request No.: _____

Date: _____

CANTOR, FITZGERALD EQUITIES CORP., a Delaware corporation (the "Company") hereby refers to the Loan and Security Agreement dated as of March 8, 1979 (the "Agreement") between the Company and Manufacturers Hanover Leasing Corporation (the "Lender") and the Security Deposit Agreement dated as of _____, 1979 (the "Security Deposit Agreement") among the Company, the Lender and Manufacturers Hanover Trust Company (the "Agent"). Unless otherwise defined herein, the terms defined in the Agreement shall have such defined meanings when used herein.

Pursuant to Subsection 10.1 of the Agreement, the Company hereby requests that the Lender direct the Agent to withdraw from the Maintenance Account the aggregate amount of \$ _____ and make payments to the persons specified below in the respective amounts set forth below.

In support of the foregoing request, the following information is hereby furnished to the Lender with respect to the obligations incurred by the Company with respect to each Box-car as to which payment is requested:

<u>Box-car Identifi- cation No(s).</u>	<u>Payee</u>	<u>Brief Descrip- tion of Mainte- nance Performed</u>	<u>Amount</u>
--	--------------	---	---------------

Total _____

The undersigned hereby certifies to the Lender (i) that the amounts set forth above represent valid obligations of the Company; and (ii) that such obligations were incurred by the Company in connection with the maintenance of the Box-Cars identified as required by Subsection 6.18(a) of the Agreement.

The Company hereby certifies that attached hereto are true and complete copies of the invoices and/or other documents evidencing the above-described obligations.

It is understood by the Company that this Withdrawal Request shall not be binding upon the Agent unless countersigned by the Lender.

IN WITNESS WHEREOF, the Company has caused this Certificate to be duly executed as of the day and year first above written.

CANTOR, FITZGERALD EQUITIES CORP.

By _____
Title: _____ *

Approved:

MANUFACTURERS HANOVER
LEASING CORPORATION

By _____
Title: _____

* To be executed by the President, any Vice President or the Treasurer of the Company.

EXHIBIT F

[Form of Directive to Columbus & Greenville]

NOTICE TO COLUMBUS & GREENVILLE RAILWAY COMPANY

Reference is made to the Restated and Amended Management Agreement, dated as of August 1, 1978 (the "Management Agreement") between you and the undersigned. You have previously received notice that the undersigned, as collateral security for loans made to it by Manufacturers Hanover Leasing Corporation (the "Lender"), has granted to the Lender a first lien on and first security interest in the Box-cars identified in Schedule No(s). , dated to the Management Agreement and has assigned to the Lender all of its right, title and interest in, to and under the Management Agreement and all sums due or to become due to the undersigned thereunder.

You are hereby directed to (a) cause all amounts payable to Columbus & Greenville from Other Railroads (as defined in the Management Agreement) or from any other party for the use of or relating to the Box-cars including, without limitation, mileage charges, straight car hire payments, penalties and incentive car hire payments, to the fullest extent permitted by law, to be paid directly to the Lender or as the Lender shall direct, (b) hold in trust any such amounts received by Columbus & Greenville and forthwith pay the same to the Lender, together with an accounting therefor and (c) make payment of all Remittances (as defined in the Management Agreement) and other amounts due or to become due to the undersigned directly to the Lender or as the Lender may direct.

CANTOR, FITZGERALD EQUITIES CORP.

By _____
Title:

[Form of Bill of Sale]

BILL OF SALE

FMC CORPORATION (the "Builder"), in consideration of the sum of Ten Dollars and other good and valuable consideration paid by CANTOR, FITZGERALD EQUITIES CORP. (the "Buyer"), receipt of which is hereby acknowledged, does hereby grant, bargain, sell, transfer and set over unto the Buyer, its successors and assigns, the following described equipment which has been delivered by the Builder to the Buyer, to wit:

<u>Number of Units</u>	<u>Description</u>	<u>Serial Numbers</u>
------------------------	--------------------	-----------------------

TO HAVE AND TO HOLD all and singular the equipment above described to the Buyer, its successors and assigns, for its and their own use and behoof forever.

And the Builder hereby warrants to the Buyer, its successors and assigns, that said equipment has been constructed from new components; that said equipment is new and unused upon delivery to the Buyer, that is, has never been placed in service prior to delivery to the Buyer; that said equipment has been constructed in accordance with Association of American Railroads or other U.S. governmental regulations applicable to said equipment; that at the time of delivery to the Buyer the Builder is the lawful owner of said equipment; that title to said equipment is free from all prior claims, liens and encumbrances suffered by or through the Builder; and that the Builder has good right to sell the same as aforesaid; and the Builder covenants that it will warrant and defend such title against all claims and demands whatsoever.

FMC CORPORATION

By: _____
Title:

Dated: _____, 1979

EXHIBIT I

[Form of Directive to Owner's Agent]

NOTICE TO RAILWAY FREIGHT CAR SERVICES, INC.,
A NEW YORK CORPORATION

Reference is made to the Agency Agreement, dated as of March 8, 1979 (the "Agency Agreement") between you and the undersigned. You have previously received notice that the undersigned, as collateral security for loans made to it by Manufacturers Hanover Leasing Corporation (the "Lender"), has granted to the Lender a first lien on and first security interest in the Agency Agreement and has assigned to the Lender all of its right, title and interest in, to and under the Agency Agreement and all sums due or to become due to the undersigned thereunder.

You are hereby directed to make payment of all amounts due or to become due to the undersigned under the Agency Agreement directly to the Lender or as the Lender may direct.

CANTOR, FITZGERALD EQUITIES CORP.

By _____
Title:

[Form of Legal Opinion of
Counsel to the Company]

, 1979

Manufacturers Hanover Leasing
Corporation
30 Rockefeller Plaza
New York, New York 10020

Dear Sirs:

We have acted as counsel for Cantor, Fitzgerald Equities Corp., a Delaware corporation (the "Company"), in connection with the execution and delivery of the Loan and Security Agreement dated as of March 8, 1979 between the Company and you (the "Agreement").

This opinion is furnished to you pursuant to paragraph (i) of Subsection 4.2 of the Agreement. Terms used herein which are defined in the Agreement shall have the respective meanings set forth in the Agreement, unless otherwise defined herein.

In connection with this opinion, we have examined executed counterparts of the Agreement, Supplement No. thereto, the Management Agreement, Schedule No. thereto, the Agency Agreement and the executed Note delivered by the Company on the date hereof, and such corporate documents and records of the Company, certificates of public officials and of officers of the Company, and such other documents, as we have deemed necessary or appropriate for the purposes hereof.

Based upon the foregoing, we are of the opinion that:

1. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and is duly qualified as a foreign corporation and in good standing under the laws of the States of Arizona, California, Georgia and New York, the only jurisdictions in which the conduct of its business or the ownership or lease of its properties requires such qualification.

2. The Company has the corporate power and authority to own its properties and to transact the business in which it is presently engaged (including the purchase of the Box-cars) and to execute, deliver and perform the Agreement, the Supplements, the Notes, the Assignment, the Management Agreement, the Schedules, the Agency Agreement and the Security Deposit Agreement, to borrow under the Agreement on the terms and conditions thereof, to grant the lien and security interest created by the Agreement and the Supplements, and to take such action as may be necessary to complete the transactions contemplated by the Agreement, the Supplements, the Notes, the Assignment, the Management Agreement, the Schedules, the Agency Agreement and the Security Deposit Agreement, and the Company has taken all necessary corporate action to authorize the borrowings on the terms and conditions of the Agreement and the grant of the lien and security interest created by the Agreement and the Supplements and to authorize the execution, delivery and performance of the Agreement, the Supplements, the Notes, the Assignment, the Management Agreement, the Schedules, the Agency Agreement and the Security Deposit Agreement on the terms and conditions thereof.

3. Each of the Agreement, Supplement No. , the Assignment, the Management Agreement, Schedule No. , the Agency Agreement the Security Deposit Agreement and the Note delivered to you on the date hereof has been duly authorized, executed and delivered by the Company and constitutes, and each other Supplement, Schedule and Note when executed and delivered by the Company will constitute, a legal, valid and binding obligation of the Company enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

4. No consent of any other party (including the stockholders of the Company) and no consent, license, permit, approval or authorization of, exemption by, or registration or declaration with, any governmental authority, is required in connection with the execution, delivery, performance, validity or enforceability of the Agreement, the Supplements, the Notes, the Assignment, the Management Agreement, the Schedules, the Agency Agreement or the Security Deposit Agreement, except any filings and recordings required by Title 49, United States Code and the filing of financing statements with respect to the Lender's security interest in the Management Agreement and the Agency Agreement in the offices of the Secretary of State of New York and the City Register of New York County.

5. The execution, delivery and performance by the Company of the Agreement, the Supplements, the Notes, the Assignment, the Management Agreement, the Schedules, the Agency Agreement and the Security Deposit Agreement will not violate any provision of, or constitute a default under, any existing law or regulation to which the Company is subject, or any order, judgment, award or decree of any court, arbitrator or governmental authority applicable to the Company and known to us or the Articles of Incorporation, By-Laws or any preferred stock provision of the Company, or any mortgage, indenture, contract or other agreement to which the Company is a party or which is binding upon the Company or any of its properties or assets, and will not result in the creation or imposition of any Lien (other than the lien on and security interest created by the Agreement and the Supplements) on any of the properties or assets of the Company pursuant to the provisions of any such mortgage, indenture, contract or other agreement.

6. To the best of our knowledge (having made due inquiry), there are no actions, suits or proceedings (whether or not purportedly on behalf of the Company) pending or threatened against the Company or any of its properties or assets in any court or before any arbitrator or before or by any governmental body, which (i) relate to any of the Collateral or to any of the transactions contemplated by the Agreement, or (ii) would, if adversely determined, materially impair the right or ability of the Company to carry on its business substantially as now conducted and presently proposed to be conducted, or (iii) would, if adversely determined, have a material adverse effect on the operating results or on the condition, financial or other, of the Company.

7. Financing statements with respect to the Lender's security interest in the Management Agreement and the Agency Agreement have been duly filed in the offices of the Secretary of State of New York and the City Register of New York County.

8. The Agreement, as supplemented by Supplement No. (i) constitutes a legal, valid and perfected first lien on and first priority security interest in the Management Agreement and the Agency Agreement, insofar as the same may be governed by New York law, as security for the Obligations and (ii) constitutes a legal and valid lien on and security interest in the Maintenance Account and the Cash Collateral Account, as security for the Obligations, and upon each deposit of funds in each such Account, such lien and security interest shall be perfected with respect

to such funds, and the Lender shall have a first priority perfected security interest in such funds, as security for the Obligations.

The opinion of Messrs. Morgan, Lewis and Bockius, delivered to you on the date hereof pursuant to paragraph (1) of Subsection 4.2 of the Agreement is satisfactory in form and substance to us, and in our opinion you are justified in relying thereon.

Very truly yours,

[Form of Opinion of Special Counsel
to the Company]

, 1979

Manufacturers Hanover Leasing
Corporation
30 Rockefeller Plaza
New York, New York 10020

Dear Sirs:

We have acted as special counsel for Cantor, Fitzgerald Equities Corp., a Delaware corporation (the "Company"), in connection with the execution and delivery of the Loan and Security Agreement dated as of March 8, 1979 between the Company and you (the "Agreement").

This opinion is furnished to you pursuant to paragraph (j) of Subsection 4.2 of the Agreement. Terms used herein which are defined in the Agreement shall have the respective meanings set forth in the Agreement, unless otherwise defined herein.

In connection with this opinion, we have examined executed counterparts of the Agreement, Supplement No. thereto, the Management Agreement, Schedule No. there- to, the Agency Agreement and the executed Note delivered by the Company on the date hereof, and such other documents as we have deemed necessary or appropriate for the purposes thereof.

Based upon the foregoing, we are of the opinion that:

1. The Agreement, Supplement No. , the As- signment, the Management Agreement, Schedule No. and the Agency Agreement have each been duly filed and recorded with the Interstate Commerce Commission in accordance with Section 11303, Title 49, United States Code. No other fil- ing, registration or recording is necessary in order to perfect, protect and preserve, as security for the Obliga- tions, the lien on and security interest in the Box-cars

created by the Agreement, except that each Supplement and each Schedule hereafter executed and delivered by the Company must be filed and recorded with the Interstate Commerce Commission in accordance with Section 11303, Title 49, United States Code.

2. The Agreement, as supplemented by Supplement No. , constitutes a legal, valid and perfected first lien on and first priority security interest in each of the Box-cars described in such Supplement, the Management Agreement and the Agency Agreement.

Very truly yours,