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RESTATED AND AMENDED

MANAGEMENT AGREEMENT

RECORDATION NO. 10188-B Filed 1425

MAR 12 1979 - 11 30 AM

INTERSTATE COMMERCE COMMISSION

BETWEEN

CANTOR, FITZGERALD EQUITIES CORP.,

AND

COLUMBUS & GREENVILLE RAILWAY COMPANY,

DATED AS OF AUGUST 1, 1978

(COVERING UP TO 150 GENERAL PURPOSE BOXCARS)

The rights of Cantor, Fitzgerald Equities Corp., for itself and as agent for Teltrain, Inc., in and to this Restated and Amended Management Agreement have been assigned, mortgaged and pledged to, and are subject to a security interest in favor of, the Lender under the Loan and Security Agreement, dated as of March 8, 1979, with Manufacturers Hanover Leasing Corporation, as said Loan and Security Agreement may be amended or supplemented from time to time. This Restated and Amended Management Agreement has been executed in several counterparts of which this is Counterpart No. 2. To the extent, if any, that this Restated and Amended Management Agreement constitutes "chattel paper" or other "collateral" under the Uniform Commercial Code no security interest herein may be created through the transfer or possession of any counterpart other than the original counterpart which is designated as "Counterpart No. 1".

Filed and recorded with the Interstate Commerce Commission pursuant to Section 11303 of Title 49, United States Code, on March __, 1979, at _____, Recordation No. _____.

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* This Index is included for convenience only and does not form a part of, or affect any construction or interpretation of this Instrument.

RESTATED AND AMENDED MANAGEMENT AGREEMENT, dated as of August 1,1978, between CANTOR, FITZGERALD EQUITIES CORP., a Delaware corporation, (hereinafter called the "Owner"), for itself and as agent for TELTRAIN, INC., a New York corporation (hereinafter called "Teltrain"), and COLUMBUS & GREENVILLE RAILWAY COMPANY, a Mississippi corporation (hereinafter called "Manager").

WHEREAS, Owner simultaneously has entered into a Loan and Security Agreement, dated as of March 8, 1979 (hereinafter called the "Loan Agreement"), with Manufacturers Hanover Leasing Corporation, a New York corporation, (hereinafter called the "Lender"); and

WHEREAS, Owner has agreed to purchase from the manufacturer, FMC Corporation, one hundred fifty (150) Units (hereinafter individually called a "Unit" and collectively the "Units" or "Equipment") of railroad equipment described in Schedule No. 1 hereto (hereinafter called "Schedule No. 1") substantially in the form of Exhibit A hereto, being simultaneously executed and delivered by the parties hereto; and

WHEREAS, Teltrain has entered into a Purchase Agreement, dated as of March 8, 1979, with Owner pursuant to which Teltrain has agreed to purchase from Owner, immediately upon the purchase thereof by Owner from FMC Corporation, the fifty Units specified in said Purchase Agreement and Owner has agreed to act as agent for Teltrain hereunder with respect to such Units; and

WHEREAS, the Owner has entered into an Agency Agreement, dated as of March 8, 1979, with Railway Freight Car Services, Inc., a New York corporation (hereinafter called "Owner's Agent") providing for Owner's Agent to act on behalf of Owner with respect to the Equipment; and

WHEREAS, Owner has entered into an Assignment and Assumption Agreement, dated as of February 1, 1979 (hereinafter the "Assignment Agreement"), with Manager, Railway Freight Car Services, Inc., a Delaware corporation (hereinafter called "Railway"), and R.F.C. Services, Inc., a Delaware corporation, pursuant to which Railway, assigned all of its rights under the Management Agreement, dated August 1, 1978, between Manager and Railway, with respect to the Units, to Owner, and Manager consented to such assignment and released Railway from any and all obligations under said Management Agreement, relating to the Units; and

WHEREAS, Owner and Manager have determined it to be appropriate and in their best interests to modify, amend and restate said Management Agreement, as so assigned and assumed, by entering into this Restated and Amended Management Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants hereinafter contained, the parties hereto hereby agree as follows:

1. Provision and Management of Equipment. Owner hereby agrees to provide the Equipment to Manager, and Manager agrees to accept and manage the Units, upon the terms and conditions hereinafter set forth.

2. Delivery and Acceptance of Equipment. Owner will cause each Unit to be delivered to Manager at the point or points within the United States of America at which Owner shall specify. Upon such delivery, Manager, at Owner's expense, will cause an authorized representative of Manager (which may be the Owner's Agent or its designee) to inspect the Units, and if such Units are acceptable to such authorized representative and conform to all applicable governmental regulations, to accept delivery of such Units and to execute and deliver to Owner a certificate of acceptance (hereinafter called a "Certificate of Acceptance"). The Certificate of Acceptance shall be in the form annexed as Exhibit B hereto, dated as of the date of acceptance of the Equipment (such date of delivery being hereinafter called the "Delivery Date") and certify that each such Unit is marked in accordance with Section 7 hereof; whereupon each such Unit shall be deemed to have been delivered to and accepted by Manager, and shall be subject thereafter to all the terms and conditions of this Management Agreement.

3. Term. The initial term of this Management Agreement (hereinafter called the "Initial Term") as to each Unit shall begin on the date of the delivery to and acceptance by Manager of such Unit pursuant to Section 2 above and shall terminate with respect to all Units on March 31, 1994; provided, however, this Management Agreement shall automatically be extended for not more than five (5) successive periods of twelve (12) months each (hereinafter called an "Extended Term") with respect to all Units not suffering a Casualty Occurrence (as hereinafter defined) unless Owner or Manager gives written notice to the other delivered not less than twelve (12) months prior to the end of the Initial Term or any Extended Term of its intention to terminate this Management Agreement, in which case this Management Agreement shall terminate as to all, but not less than all, of the Units on the last day of the Initial Term or the Extended Term set forth in such notice.

The obligations of (i) the Manager to make the Remittances (as hereinafter defined) due and payable hereunder, and (ii) the Owner to reimburse the Manager for maintenance expenses, taxes and other amounts hereinafter required to be reimbursed by the Owner, with respect to obligations arising during the Initial Term of any Extended

Term, shall survive the expiration of the Initial Term or any Extended Term of this Management Agreement.

4. Interline Use of Equipment. Manager shall cause the Units to be loaded and placed into interline interchange service (in the United States of America, Canada and/or Mexico) in accordance with Interstate Commerce Commission ("ICC") and Association of American Railroads ("AAR") Interchange Rules and Agreements as soon as practicable after their respective Delivery Dates and shall cause the Equipment to continue to be used in such interline interchange service throughout the term of this Management Agreement; provided, however, that the Manager shall not assign or permit the assignment of any Unit of Equipment to service involving the regular operation and/or maintenance thereof outside the United States of America; provided, further, that at no time shall more than Ten Per Cent (10%) of the Units be outside the United States of America.

In order to obtain maximum utilization of the Equipment, Manager shall use its good faith best efforts to obtain railroad car loadings on its tracks with shipments destined for locations off Manager's tracks for the Units (such shipments being hereinafter called "Outbound Loadings"); and Manager shall give preference on Outbound Loadings to the Equipment and shall load the Units prior to any other railroad equipment similar to the Units, except that no such preference shall exist with respect to Outbound Loadings for Manager's 18,000 and 191,000 series box cars representing an aggregate of no more than 100 box cars, and except that the boxcars (aggregating no more than 50) referred to in that certain Restated and Amended Management Agreement, dated as of the date hereof, between Manager and R. F. C. Services, Inc., shall have the same preference and priority as the Equipment; provided, the preferences described herein shall in no event prevent or prohibit Manager from fulfilling its obligations to provide transportation and facilities upon reasonable request to shippers on its tracks.

5. Remittance of Earnings. Manager shall cause all amounts payable to Manager from railroads having different American Association of Railroads markings from those of Manager ("Other Railroads") or from any other party for use of or relating to the Units 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 Owner or as Owner shall direct in such manner and at such location as Owner may specify. Any such payments received by Manager shall be held in trust and forthwith paid to Owner, together with an accounting thereof. (All amounts payable to Owner pursuant to the provisions of this Section 5 are hereinafter sometimes collectively referred to as "Remittances").

Manager shall use its best efforts to secure payment from all Other Railroads over whose tracks the Units travel and from any other party using the Units any and all sums which may be due from time to time from such Other Railroads or party with respect to the Units including, without limitation, mileage charges, straight car hire payments, demurrage, penalties, and incentive car hire payments.

6. Management Charges.

A. Owner agrees to pay the following management fee to Manager for the management of the Equipment hereunder:

1. Owner shall receive all of the mileage charges and car hire revenues (including without limitation, both straight and incentive per diem) payable to Manager by Other Railroads if the utilization of all the Units on an aggregate basis for each period of twelve (12) months ("Fee Year"), the first such period commencing on the commencement date of the Initial Term of the first Unit accepted hereunder, shall be equal to or less than Eighty-Four Per Cent (84%) of the maximum that they could earn in that Fee Year assuming that the Units travel Fifty (50) miles per day. In the event that utilization exceeds Eighty-Four Per Cent (84%) in any Fee Year, the Manager shall be entitled to receive as a management fee all sums in excess of Eighty-Four Per Cent (84%) utilization. Such management fee shall be applicable for each Unit from the date of acceptance as provided in Section 3 and until such Unit is returned to Owner upon termination of this Agreement.

2. The management fee shall accrue and be payable to Manager for each Fee Year as provided below:

Subject to the annual adjustment contained herein, Owner shall pay to Manager quarterly, the first such quarter to commence on the commencement date of the first Fee Year, the amount of the management fee which Manager determines in good faith is necessary so that Manager will receive for the period from the commencement of such Fee Year, to the end of such quarter, a management fee equal in amount to the utilization, in excess of Eighty-Four Per Cent (84%) utilization, experienced by the Units, on an aggregate basis, during such Fee Year, up to the last day of such quarter.

Each such quarterly determination shall be made by Owner within thirty (30) days after the end of each of the first three (3) quarters of each Fee Year, and on or before the last day of the fourth quarter, and the amount of such management fee, as so determined, shall be paid to Manager on or before the thirtieth (30th) day following each of the first three (3) quarters and on or before the last day of the last quarter. Within ninety (90) days after the end of each Fee Year, the actual amount of such management fee for such Fee Year shall be finally determined by Owner, and any additional amount owing to Manager, or any amount to be refunded to Owner, shall promptly be remitted to the appropriate party within ten (10) days after written notice of the final amount, as so determined, has been furnished to Manager by Owner.

3. In the event damage or destruction of a Unit has been reported in accordance with Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Hire Rules - Freight and the appropriate amount due as a result thereof is received by Owner, said damaged or destroyed Unit will be removed from this Agreement as of the date that payment of car hire revenues ceased.

B. Owner may, at its option, and with the consent of the Lender, terminate this Agreement upon not less than thirty (30) days prior written notice, if:

1. The ICC shall issue an order or any applicable law or regulation shall be amended, modified or enacted which shall have the effect of eliminating or in any way reducing the incentive per diem charges payable (as, for example, by reducing the period in which such charges are payable) in respect of the Units, unless there is made available to be received by Owner, a corresponding increase in per diem payments or other similar car-hire charges, at least equal to the reduction or elimination of incentive per diem charges;

2. The payments received by Owner in respect of incentive per diem charges for Units from Other Railroads shall for any reason whatsoever become unavailable in whole or in part for payment to Owner as herein provided; or

3. The aggregate of the car-hire charges and other income due and payable from Other Railroads in respect of the use of the Equipment shall in any

ninety (90) day period be less than Eighty Per Cent (80%) of the maximum car-hire charges that could become due and payable during such period if the Units were used on the tracks of Other Railroads during each of said ninety (90) days and the Units traveled an average of fifty (50) miles per day during each day of such period.

7. Identification Marks. The Manager will cause each Unit to be kept numbered with the identifying number set forth in Schedule No. 1, or in the case of any Unit not therein listed, such identifying number as shall be set forth in any amendment or supplement hereto extending this Management Agreement to cover 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 Owner with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Owner's interest in such Unit and the rights of the Manager under this Management Agreement and the Lender under the Loan Agreement. The Manager will not place any such Unit 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 promptly any such words which may be removed, defaced or destroyed. The Manager will not change the identifying number of any Unit unless and until (i) a statement of a new number or numbers to be substituted therefor shall have been filed with the Owner and filed, recorded and deposited by the Manager in all public offices where this Management Agreement shall have been filed, recorded and deposited including, without limitation, the ICC, the Official Railway Equipment Register and the Universal Machine Language Equipment Register, and (ii) the Manager shall have furnished to the Owner an opinion of counsel to the effect set forth in paragraph (C) of Section 25 hereof in respect of such statement.

Except as above provided, the Manager will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Manager may cause the Units to be lettered with the names or initials or other insignia customarily used by the Manager

or its affiliates on railroad equipment used by them of the same or a similar type for convenience of identification of their rights to manage the Units as permitted under this Management Agreement.

8. Taxes. Manager shall, subject to reimbursement from the Owner as hereinafter provided, pay and discharge all sales, use, personal property, leasing, leasing use, stamp or other taxes, levies, imposts, duties, charges or withholdings of any nature, together with any penalties, fines or interest thereon (the foregoing being hereinafter called "Impositions") imposed against Owner, Owner's Agent, Teltrain, Lender, any of their respective assignees, Manager or the Equipment by any Federal, state or local government or taxing authority upon or with respect to the Equipment or upon the purchase, ownership, delivery, lease, possession, use, operation, return, sale or other disposition thereof hereunder or in connection herewith, or upon the rentals, receipts, or earnings arising therefrom, or upon or with respect to this Management Agreement (excluding, however, taxes on, or measured by, the net income of Owner, Owner's Agent, Teltrain, Lender or any assignee thereof unless, and to the extent only that, any such Imposition is being contested by Manager or Owner in good faith and by appropriate proceedings and the non-payment thereof does not, in the reasonable opinion of the Owner adversely affect the title, property or rights of the Owner to or in the Equipment.

If any Imposition is levied against Manager and the Units are included in or as a basis for the calculation of such Imposition, then, (a) if such Imposition is apportioned by the appropriate taxing authority between the Units and the other property owned or used by Manager, then Owner shall have the right (but not the obligation) to contest such apportionment, at its own expense, by any proceedings Owner deems appropriate under the circumstances, and (b) if such Imposition is not apportioned by the appropriate taxing authority between the Units and the other property owned or used by Manager, then such Imposition shall be apportioned between Owner and Manager on such basis as Owner and Manager shall agree or, failing such agreement, as may be determined by a majority decision of a panel of three (3) independent arbitrators, one of whom shall be selected by Manager, one of whom shall be selected by Owner, and the third to be selected by the Owner and Manager and designated arbitrators; provided, however, that if such Imposition is based upon the value of property, the portion of such Imposition apportioned to Owner shall in no event exceed the fraction thereof, the denominator of which is the value of all of the

railroad equipment and all other property owned or used by Manager (whether similar or dissimilar to the Units and whether real, personal or mixed) included in the property on which such Imposition is based, and the numerator of which is the value of the Units (with "value", in each case, determined in a manner consistent with the manner in which value is defined and calculated for the purpose of such Imposition under the laws, rules and regulations in effect during the period for which such Imposition is assessed). If Manager shall be entitled to any credit against any such Imposition or any other government charge, which credit shall arise as a result of any expenditure by Manager not related to the Units, then Manager shall be entitled to the full benefit of such credit.

Manager shall comply with all federal, state and local laws concerning the preparation and filing of tax returns with respect to the Equipment and shall provide copies of such returns to Owner not less than five (5) business days prior to the filing of such return. Owner shall have the right to review all such tax returns prior to their filing, and shall have the right to approve or object to any such tax returns or portions thereof which relate to the Equipment. Unless Owner objects to the filing of such return and so notifies Manager before such return is filed, Owner shall be deemed to have approved such return. In the event Owner objects to the filing of such return as prepared by Manager, such return shall be revised as Owner and Manager shall agree and, failing such agreement, as Owner shall direct, unless Manager is advised by its independent legal counsel that such return would not be in compliance with any applicable governmental law, rule or regulation, in which event, Owner may file such return on its own behalf if permitted to do so, and if not so permitted by applicable law, Manager shall file such return as it determines to be proper and correct under applicable law.

To the extent permissible under applicable laws, Owner shall have the right but not the obligation to pay any personal property or similar tax, assessment or other government charge with respect to the Unit, in lieu of Manager paying such Imposition, and upon agreeing to pay such Imposition, Owner shall be freed of its obligation to reimburse Manager with respect thereto under the provisions of this Section 8.

For purposes of this Section 8, the term "Impositions" shall include, and the Manager shall be entitled to reimbursement from Owner in accordance with the next suc-

ceeding paragraph for, any incremental taxes on personal property paid by Manager as a result of or arising out of its performance of the transactions contemplated hereby. Such incremental taxes shall be the difference between (i) the amount of such personal property taxes actually paid by the Manager (whether during the term of this Agreement, or after its expiration), and (ii) the amount of taxes on personal property which the Manager would have paid in the absence of this Agreement and the transactions contemplated hereby. In the event the Manager and the Owner cannot agree upon the amount of such incremental taxes on personal property, either party may demand that such dispute be resolved by a panel of three (3) arbitrators in the manner set forth in the second paragraph of this Section 8, in which case the dispute shall be submitted for arbitration and the decision of a majority of the panel of arbitrators shall be binding upon the parties.

Promptly upon delivery of an invoice therefor from Manager, Owner shall reimburse Manager within thirty (30) days after receipt of such invoice for all Impositions so invoiced by Manager with respect to the Equipment, except such Impositions (i) on (based upon, or measured by) net income from the Equipment earned by or imposed on Manager, (ii) penalties assessed against Manager because of its failure to comply timely with any applicable governmental law, rule or regulation, and (iii) Impositions, the amount of which are under dispute and being submitted to arbitration pursuant to the preceding paragraph.

9. Reports and Records. On or before March 31 in each year, commencing with the year 1980, the Manager shall furnish to the Owner an accurate statement signed by an executive officer of Manager (a) setting forth as of the preceding December 31 the amount, description and numbers of all Units then subject to this Agreement, the amount, description and 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 statement) and such other information regarding the condition and state of repair of the Equipment as the Owner may reasonably request, (b) stating that, in the case of all Units repaired or repainted during the period covered by such statement, the numbers and markings required by Section 7 hereof have been preserved or replaced; and (c) certifying that all amounts, whether Remittances or otherwise, payable hereunder by Manager to

Owner through the preceding December 31 have been paid, or if any have not been paid, identifying such unpaid amounts and the reason for their nonpayment. The Owner shall have the right, by its agents, to inspect the Equipment and the Manager's records with respect thereto at such reasonable time as the Owner may request during the term of this Agreement.

Manager also shall furnish to Owner (i) within 120 days after the end of each fiscal year of Manager, a consolidated balance sheet of Manager and its consolidated subsidiaries as at the close of such fiscal year and consolidated statements of income and retained earnings and changes in financial position of Manager and its consolidated subsidiaries for such year, certified by independent public accountants; and (ii) within 90 days after the end of each of the first three quarters of each fiscal year of Manager, a consolidated balance sheet of Manager and its consolidated subsidiaries as at the end of such quarter and consolidated statements of income of income and retained earnings of Manager and its consolidated subsidiaries for the period from the beginning of such fiscal year to the end of such quarter, certified by an authorized financial officer of Manager. All financial statements delivered hereunder shall be prepared on the basis of generally accepted accounting principles and practices applied on a basis consistently maintained throughout the period involved.

In the event that any Unit shall be or become worn out, lost (for a period of at least 30 consecutive days), stolen, destroyed or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation, confiscation, seizure, forfeiture or otherwise, or there shall occur any other material interruption or termination of use of any Unit regardless of the cause (such occurrences being hereinafter called a "Casualty Occurrence"), during the term of this Management Agreement, the Manager shall, within ten (10) days after such Unit has suffered a Casualty Occurrence, fully notify the Owner with respect thereto.

Manager shall prepare and deliver to Owner or Lender, as the case may be, at least ten (10) days prior to the required date of filing (or, to the extent permissible, file on behalf of Owner or Lender) any and all reports (other than income tax returns) relating to maintenance, registration and operation of the Equipment to be filed by Owner, Teltrain, Lender or Manager with any federal, state

or other regulatory authority by reason of the ownership by Owner or Teltrain, as the case may be, of the Units, the Lender's lien on and security interest in the Units or the provisions of the Loan Agreement or providing such Equipment to Manager. Such documents shall include, but are not limited to, registration with the ICC, in the Official Railway Equipment Register and in the Universal Machine Language Equipment Register and any and all reports which may be required from time to time by any governmental agency with jurisdiction over Lender, Owner's Agent, Owner, Teltrain, Manager or the Equipment. Manager shall perform all record keeping functions relating to use of the Equipment, and shall maintain records relating thereto whether such use is by Manager or Other Railroads, all in accordance with AAR Railroad Interchange Agreements and Rules. Such records shall include, but not be limited to, car hire reconciliations. Manager shall supply Owner with copies of such records regarding use of the Equipment as Owner may reasonably request. All records maintained hereunder, including all records of payments received in connection with the use of the Equipment, or expended in connection with the maintenance of the Equipment, charges and correspondence relating to the Equipment shall be separately recorded and maintained by Manager in a form suitable for reasonable inspection by Owner or Lender from time to time during Manager's regular business hours.

Manager shall, upon written request of Owner, with the prior written consent of the Agent, in its sole discretion, make such request with the Association of American Railroads for relief or reinstatement from AAR Car Service Rules 1 and 2 as Owner may from time to time specify; provided, however, Manager shall not be required to make such a request for relief unless in any sixty (60) day period the aggregate of the car hire charges and other income due and payable from Other Railroads in respect of the use of the Equipment shall in such sixty (60) day period be less than Eighty-Four Per Cent (84%) of the maximum car-hire charges that could become due and payable during such period if the Units were used on the tracks of Other Railroads during each of said sixty (60) days, and the Units traveled an average of fifty (50) miles per day during each day of such period.

10. Condition of Equipment and Compliance with Laws and Rules. Manager's delivery of a Certificate of Acceptance shall be conclusive evidence that Manager has accepted the Units described therein and that they are in all respects satisfactory to Manager for the purpose of managing such Units hereunder, and Manager will not assert any claim or defenses hereunder based on the design, workmanship, quality, condition or merchantability of the Equipment.

Manager agrees, for the benefit of Owner to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the interchange rules of the AAR and with all rules of the Department of Transportation, the ICC and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any Unit, Manager will conform therewith; provided, however, that Manager or Owner may, in good faith, contest, at the expense of the contesting party, the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Owner, adversely affect the property or rights of Owner or Teltrain, as the case may be, and does not result in a Unit being removed from the regular interline interchange service contemplated hereby; and provided, further, that no such alterations, modifications or replacement of parts shall be made without the prior authorization of Owner unless made by a railroad other than the Manager without the prior approval of the Manager.

Title to any such alteration, replacement or addition of or to any part on any Unit shall be and remain with Owner or Teltrain, as the case may be.

11. Maintenance of Equipment. Manager shall inspect all Units interchanged to insure that such Units are in good working order and condition in the same manner as Manager inspects railroad equipment owned by it; and Manager shall be liable to Owner for all costs, expenses, fees and charges incurred in connection with any repairs required for damage existing but not noted at the time of such interchange. Manager shall at all times keep the Equipment in good repair and efficient condition and working order, eligible for interchange with Other Railroads pursuant to AAR Interchange Standards, and, subject to the foregoing, Owner shall pay all costs, expenses, fees and charges incurred in connection with repairs, maintenance and servicing of the Units. All parts, replacements, substitutions and additions to or for any Equipment shall immediately become Equipment and the property of Owner or Teltrain, as the case may be. At Owner's cost and expense, Manager, at its discretion, shall make running repairs ("Running Repairs") to facilitate the continued and immediate use of the Units. Charges to Owner by Manager for all repairs, maintenance and servicing performed by Manager pursuant to the provisions

hereof shall be in an amount not in excess of comparable charges paid by owners of similar railroad boxcars to other recognized maintenance firm for similar repairs and in any event shall not exceed AAR Standard Rates as in effect at the time of such repairs, maintenance and service, or such other rules which supersede or replace AAR Standard Rates. Manager hereby transfers and assigns to Owner and Teltrain, as the case may be, any and all rights it may have to any warranty made with respect to the Units.

Anything herein to the contrary notwithstanding, Manager shall promptly notify Owner of the need for any maintenance or repairs, other than Running Repairs, and Owner shall have the right to require that any or all such alterations, modifications, replacements, repairs, maintenance and/or servicing on any or all of the Units be performed by Manager, Owner, one or more Other Railroads or others able to do such work, in which event the cost of transporting the Equipment to such Other Railroads shall be borne by Owner. Promptly upon request therefor from Manager, Owner will reimburse Manager for all costs, expenses, fees and charges incurred in connection with repairing, maintaining and servicing the Units, unless any such repairs, maintenance or servicing was (or were) (i) occasioned by the negligence or willful misconduct of Manager or any of Manager's agents or employees or (ii) would be deemed a "handling line responsibility" pursuant to Rule 96 of the AAR Field Manual as in effect at the time, or such other rule which supersedes or replaces such provision whenever the Units are on Manager's railroad tracks, Manager shall comply with Rule 7 of the AAR Car Service and Car Hire *Agreement Code of Car Service Rules-Freight* ("Rule 7").

12. Default. If, during the continuance of this Management Agreement, one or more of the following events (each such event being hereinafter sometimes called an "Event of Default") shall occur and be continuing:

A. default shall be made in the payment by Manager of any sum required to be paid or remitted hereunder, and such default shall continue for a period of five (5) days after notice from the Owner that it believes such payment is due;

B. any representation or warranty, made by Manager in this Management Agreement is untrue in any material respect, or any statement, report, schedule, notice or

other writing furnished by Manager to Owner in connection herewith is untrue in any material respect on the date as of which the facts set forth are stated or certified;

C. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of Manager contained herein, and such default shall continue for ten (10) days after written notice thereof from Owner to Manager;

D. any act of insolvency by Manager, or the filing by Manager of any petition or action under any bankruptcy, reorganization, insolvency, or moratorium law, or any other law or laws for the relief of, or relating to, debtors; or

E. the filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against Manager that is not dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Manager, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment;

then, in any such case, Owner at its option may:

(a) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Manager of the applicable covenants of this Management Agreement (and Manager agrees to bear Owner's costs and expenses, including reasonable attorneys' fees, in securing such enforcement) or to recover damages for the breach thereof; and/or

(b) by notice in writing to Manager, terminate this Management Agreement, whereupon all rights of Manager hereunder to manage the Units shall absolutely cease and terminate as though this had never been made, but Manager shall remain liable as hereinafter provided; and/or

(c) by its agents enter upon the premises of Manager or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess and enjoy the same free from any right of Manager, or its successors or assigns, to use the Units for any purposes whatever;

but Owner shall, nevertheless, have a right to recover from Manager any and all amounts which under the terms of this Management Agreement may be then due or which may have accrued to the date or subsequent to the date of such termination and also to recover forthwith from Manager; (i) any damages and expenses, including reasonable attorneys' fees, in addition thereto which Owner shall have sustained by reason of the breach of any covenant, representation or warranty of this Management Agreement, and (ii) all costs and expenses incurred in searching for, taking, removing, keeping, and storing such Units of Equipment, and (iii) all additional amounts owing by Manager hereunder, whether as Remittances or otherwise.

The remedies in this Management Agreement provided in favor of Owner shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. Manager hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in question, prohibited by law. Manager hereby waives any and all existing or future claims to any offset against the Remittances or any other payments due Owner hereunder and agrees to make such Remittances and all other payments as directed regardless of any offset or claim which may be asserted by Manager or on its behalf.

The failure of Owner to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

The non-payment by Owner of any sum required herein to be paid or reimbursed by Owner to Manager not later than fifteen (15) days after such payment is due shall be a default (hereinafter called an "Owner Default") by Owner hereunder unless the amount not paid by Owner is disputed by Owner and Owner shall have given notice to Manager of the nature of such dispute. Upon the occurrence of such an Owner Default, Manager shall have such other

rights as may be available to it at law or in equity; provided, however, so long as the Loan Agreement shall be in effect: (i) Manager shall not offset any amounts which it claims to be due from Owner against any Remittances or other payments it is obligated to make pursuant to this Management Agreement, and (ii) Manager shall continue to perform and observe each and every other duty and covenant required to be performed or observed by Manager hereunder, notwithstanding the occurrence and continuance of an Owner Default. In the event Owner disputes the occurrence of an Owner Default claimed by the Manager, such dispute or disagreement may be submitted, upon the request of either party, to a panel of three (3) independent arbitrators, one of whom shall be selected by Manager, one of whom shall be selected by Owner, and the third to be selected by the Owner and Manager designated arbitrators. The determination of a majority of such arbitrators as to such dispute or disagreement shall be binding upon both parties hereto.

13. Return of Units Upon Default. If an Event of Default shall occur and be continuing or if this Management Agreement shall terminate pursuant to Section 12 hereof, Owner may take, or cause to be taken or demand from the Manager, immediate possession of Equipment, or one or more of the Units thereof, and may remove the same from possession and use of Manager. For such purpose, Owner may enter upon the premises of the Manager or any other premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids, including but not limited to diesel fuel or other necessary petroleum products, and any available trackage and other facilities or means of Manager, with or without process of law.

In case Owner shall demand possession of the Equipment pursuant to this section and shall designate a reasonable location or locations on the lines or premises of Manager or points at which the lines of Manager interconnect with the lines of any other railroad for the delivery of Equipment to Owner, Manager shall at its own cost, expense and risk, forthwith and in usual manner, cause the Equipment to be moved to such location or locations on Manager's lines or interchange point or points and shall there deliver the Equipment or cause it to be delivered to Owner and if so requested by Owner, Manager shall, at its own expense and without the right to any reimbursement (except as hereinafter specifically provided to the contrary), obliterate any insignia or other identifying markings or lettering it has theretofore placed on the

Equipment and restore the exterior to its original appearance, wear and tear otherwise hereunder permitted being excepted. At the option of Owner, Owner may keep the Equipment on any of the lines or premises of Manager until Owner shall have entered into a Management Agreement, leased, sold or otherwise disposed of the same (whether by public or private sale or otherwise), and for such purpose, Manager agrees to furnish, without charge of rent or storage, the necessary facilities at any point or points selected by Owner reasonably convenient to Manager; provided such storage without rent shall not exceed a period of one hundred twenty (120) days from the date Manager makes the Equipment available to Owner. During any storage period, Manager will permit Owner or any person designated by it, including the authorized representative or representatives of any prospective manager, purchaser or lessee of any such Unit, to inspect the same. Without in any way limiting the obligation of the Manager under the foregoing provisions of this Section 13, Manager hereby irrevocably appoints Owner as agent and attorney of Manager with full power and authority, including the power of substitution, at any time while Manager is obligated to deliver possession of any Unit to Owner to demand and take possession of such Unit in the name and on behalf of Manager from whomsoever shall be in possession of such Unit at the time. This Agreement to deliver the Equipment and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and upon application to any court of equity having jurisdiction in the premises, Owner shall be entitled to a decree against Manager requiring specific performance hereof.

Manager hereby expressly waives any and all claims against Owner, Teltrain, Owner's Agent, Lender and their assigns or agents for damages of whatever nature in connection with the retaking of any Unit of the Equipment in any reasonable manner.

14. Assignment, Merger of Manager. Without the prior written consent of Owner, Manager shall not assign or transfer its interest or except as expressly permitted herein, delegate any of its duties, under this Management Agreement or in or to or with respect to the Equipment, and any attempted assignment or transfer shall be of no force or effect.

So long as Manager shall not be in default under this Management Agreement, Manager shall be entitled to manage the Units and to permit the use of the Units upon railroads in the usual interline interchange of railway

traffic, but only upon and subject to all the terms and conditions of this Management Agreement; provided, however, that Manager (to the fullest extent permitted by applicable law) (a) shall not assign or permit the assignment of any Unit to service involving the regular operations and maintenance thereof outside the United States or permit any Unit to be outside the United States for more than 50% of any twelve-month period, and (b) shall not at any time permit more than 10% of the Units to be located outside the United States of America. No assignment, lease or interchange entered into by Manager hereunder shall relieve Manager of any liability or obligations hereunder.

Nothing in this Section 14 shall be deemed to restrict the right of Manager to assign or transfer its rights and interest under this Management Agreement to any corporation (which shall have expressly assumed in writing the due and punctual payment and performance of all obligations hereunder of Manager) into or with which Manager shall have become merged or consolidated or which shall have acquired the property of Manager as an entirety or substantially as an entirety.

15. Assignment by Owner. Owner and any direct or remote assignee of any right, title or interest of Owner hereunder shall have the right at any time or from time to time to assign part or all of its right, title and interest in and to this Management Agreement, but Manager shall be under no obligation to any assignee except upon written notice of such assignment from Owner. Without limiting the foregoing, Owner and any such assignee shall have the right at any time, or from time to time, to transfer its right, title and interest under this Management Agreement.

Owner may grant a security interest or other lien on any and all of the Equipment, this Management Agreement and sums due under this Management Agreement to a financial institution or other assignee (hereinafter "Secured Party"). In such event (a) upon request by Owner or Secured Party, Manager will (i) cause all amounts payable to Manager from Other Railroads or from any other party for the use of or relating to the Units, 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 Secured Party or as the Secured Party shall direct, (ii) hold in trust any such amounts received by Manager and forthwith pay the same to the Secured Party, together with an accounting therefor, and (iii) make payment of all Remittances and other payments due or to

become due under or arising under this Agreement directly to the Secured Party or as the Secured Party may direct; (b) Manager's obligations hereunder, including (without limitation) its obligation to make the Remittances described in Section 5 hereof, shall not be subject to any reduction, abatement, defense, setoff, counterclaim or recoupment for any reason whatsoever, which, however, shall not prevent Manager from asserting any claim separately against Owner; (c) Manager will not, after obtaining knowledge of any such assignment, consent to any modification of this Management Agreement without the prior written consent of Secured Party; and (d) Manager will provide to Owner and Secured Party such certificates, statements or other information as Owner may from time to time reasonably request, including, without limitation, a "no-default certificate".

16. Return of Units Upon Expiration of Term. As soon as practicable on or after the expiration, or earlier termination pursuant to Section 6(B), of the term of this Management Agreement with respect to any Unit, Manager shall deliver possession of such Unit to Owner or as Owner shall direct upon such storage tracks of the Manager or to such interchange point or points of Manager as the Owner reasonably may designate, provided that such storage on the Manager's storage tracks does not interfere with the operation of the railroad of Manager. Manager will permit Owner to store such Unit on such tracks for a period not exceeding one hundred twenty (120) days after delivery of possession to Owner hereunder and transport the same, at any time within such one hundred twenty (120) day period, to any reasonable place on the lines of railroad operated by Manager, or to any connecting carrier for shipment, all as directed by Owner, such movement and storage of any such unit on the storage tracks of the Manager to be at the expense and risk of the Owner. During said one hundred twenty (120) day storage period and at the expiration thereof, Manager agrees to transport the Units to any other reasonable place designated by the Owner, the movement of such Units to such places (other than to the places set forth in the immediately preceding sentence) to be at the expense and risk of the Owner. Manager shall remit to Owner promptly upon receipt thereof, any and all income earned and received by the Manager for use of such Units by others, including all income received from users pursuant to the I.C.C. Car Hire Rate Table (hereinafter "Gross Revenues") during such movement, and the Manager shall use its best efforts to realize such Gross Revenues on such Units during such movement. During any storage period provided herein, Manager will permit Owner or any person designated by it,

including the authorized representative or representatives of any prospective purchaser, manager or lessee, of such Units, to inspect the same; provided, however, that Manager shall not be liable, except in the case of negligence or willful misconduct of Manager or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of Owner or any prospective purchaser, manager or lessee, the rights of inspection granted under this sentence. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Management Agreement, and upon application to any court of equity having jurisdiction in the premises, Owner shall be entitled to a decree against the Manager requiring specific performance of the covenants of the Manager to so assemble, deliver, store and transport the Units. Each Unit returned to the Owner pursuant to this Section 16 shall (i) be in the same operating order, repair and condition as when originally delivered to the Manager, reasonable wear and tear excepted, (ii) meet the standards then in effect under the Interchange Rules of the AAR and/or the applicable rules of any governmental agency or other organization with jurisdiction for use of such Units in regular railroad interchange service, and if so requested by Owner, Manager shall, obliterate any insignia or other identifying markings or lettering it has theretofore placed on the Equipment and restore the exterior to its original appearance, wear and tear otherwise hereunder permitted being excepted.

17. Manager's Warranties. Manager represents and warrants that:

(a) Manager is a corporation duly organized and existing in good standing under the laws of the State of Mississippi and has the corporate power, authority and is duly qualified and authorized to do business wherever necessary to carry out its present business and operations and to own its properties and to perform its obligations under this Management Agreement.

(b) Manager is duly authorized to execute and deliver this Management Agreement, and is duly authorized to manage the Equipment hereunder and to perform its obligations hereunder.

(c) The execution and delivery of this Management Agreement by Manager, and the performance by Manager of its obligations hereunder, do not conflict

with any provision of law or of the charter or by-laws of Manager or of any indenture, mortgage, deed of trust or agreement or instrument binding upon Manager or to which Manager is a party.

(d) The execution, delivery and performance of this Management Agreement by Manager and the consummation by Manager of the transactions contemplated hereby do not require the consent, approval or authorization of, or notice to, any federal, state or local governmental authority or public regulatory body.

(e) The balance sheet of Manager as at December 31, 1977 and the statements of income and retained earnings and of changes in financial position of Manager for the fiscal year ending on that date certified by T. E. Lott and Company, heretofore furnished to Owner, are complete and correct and fairly present the financial condition of Manager as at the date of such balance sheet and the results of its operations for the year covered thereby. Since December 31, 1977, there has been no material adverse change in the financial condition of Manager from that set forth in said balance sheet as at that date.

(f) This Management Agreement is a legal, valid and binding obligation of Manager, enforceable in accordance with its terms.

(g) There are not any pending or threatened actions or proceedings before any court or administrative agency which will to a material extent adversely affect the financial condition or continued operation of Manager and its subsidiaries on a consolidated basis or the ability of Manager to perform its obligations under this Management Agreement.

(h) Manager is not a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as Manager can reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of Manager or the ability of Manager to perform its obligations under this Management Agreement.

18. Owner's Warranties; Indemnification.

(A) Owner represents and warrants that:

(a) Owner is a corporation duly organized and existing in good standing under the laws of the State of Delaware.

(b) Owner is duly authorized to execute and deliver this Management Agreement, to purchase and own the Units, to sell the 50 Units described in paragraph 2(b) of Schedule No. 1 to Teltrain, to act as agent hereunder on behalf of Teltrain with respect to said 50 Units, and to perform Owner's obligations hereunder.

(c) The execution and delivery of this Management Agreement by Owner and the performance by Owner of its obligations hereunder, do not conflict with any provision of law or of its charter or by-laws or of any indenture, mortgage, deed of trust or agreement or instrument binding upon it or to which it is a party.

(d) The execution, delivery and performance of this Management Agreement by Owner and the consummation by Owner of the transactions contemplated hereby do not require the consent, approval or authorization of, or notice to, any federal, state or local governmental authority or public regulatory body.

(e) There are not any pending or threatened actions or proceedings before any court or administrative agency which will to a material extent adversely affect the financial condition or continued operation of Owner or the ability of Owner to perform its obligations under this Management Agreement.

(f) To the best knowledge of the Owner, there is no fact which Owner has not disclosed to Manager in writing, nor, so far as Owner can now reasonably foresee, which will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of Owner or the ability of Owner to perform its obligations under this Agreement.

(B) Manager hereby agrees to defend, indemnify and hold Owner, Teltrain and Owner's Agent and their respective employees, agents and assigns, harmless from and

against any and all loss or damage, including any or all risk or damage to the Units, and to defend, indemnify and hold each of Owner, Teltrain and Owner's Agent and their employees, agents and assigns, harmless from and against any and all claims, damages or expenses (including legal fees and disbursements), incurred by or asserted against Owner, Teltrain or Owner's Agent or their employees, agents or assigns, as the result of the ownership, possession, use or control of the Units by Owner, Teltrain or Owner's Agent or their employees, agents or assigns, as the case may be, and the management, possession, use or control of the Units by Manager or its employees, agents or assigns, as the case may be, (collectively "Liabilities"); provided, however, that the foregoing obligations of Manager shall not extend to any liabilities caused by or attributable to Owner's, Teltrain's or Owner's Agent's gross negligence or willful misconduct; provided, Manager's obligations under this Section 18 shall be reduced by the amount of any insurance proceeds actually received by Owner, whether under Section 20 hereof or otherwise in respect of any such Liabilities.

19. Ownership of Equipment; Federal Income Taxes. It is the intent of the parties to this Management Agreement that (i) subject to clause (ii) below, Owner shall at all times be and remain the owner of the Units of Equipment and (ii) immediately after the purchase by Owner of each of the 50 Units described in paragraph 2(b) of Schedule No. 1, Owner shall sell each such Unit to Teltrain and immediately upon such sale, Teltrain shall at all times thereafter be and remain the owner of said 50 Units. Manager shall at no time take any action or file any instrument which is inconsistent with the foregoing intent. Upon the request of Owner and/or any government agency having jurisdiction and/or any third party designated in writing by Owner as having an interest in the Equipment, Manager will take such action legally permissible and execute such documents as may be necessary to accomplish or more fully evidence the foregoing intent.

Owner or Teltrain, as the case may be, shall be entitled to claim deductions, credits, and other benefits as are provided by the Internal Revenue Code of 1954, as amended, (hereinafter called the "Code"), to an owner of property, including, without limitation: (a) the maximum depreciation deduction for any year (hereinafter called the "Depreciation Deduction") with respect to the Units authorized under Section 167 of the Code, (b) deductions with respect to the interest payable under notes issued by Owner under the Loan Agreement pursuant to Section 163 of the Code (hereinafter called the "Interest Deduction"), and (c) investment tax credit with respect to the Equipment authorized

pursuant to Sections 38 and 50 of the Code (hereinafter called the "ITC"). In furtherance of the foregoing, Manager shall maintain such records, execute such documents and take such other action as may be reasonably requested by Owner to permit Owner or Teltrain, as the case may be, to claim the Depreciation Deduction, Interest Deduction, and ITC with respect to the Units, and Manager shall take no action inconsistent with the foregoing intent.

It is expressly understood and agreed that this Management Agreement does not constitute any joint venture or partnership and the parties hereto agree to execute such other instruments and take such other actions as may be reasonably requested by either party hereto to evidence the foregoing intention.

20. Insurance. The Manager hereby acknowledges Owner's obligation under the Loan Agreement to maintain casualty and liability insurance on each Unit in an amount specified in the Loan Agreement. Manager acknowledges and agrees that Owner shall have no obligation under this Agreement to maintain such insurance, and failure to carry such insurance shall not under any circumstances constitute a default by Owner hereunder.

21. Recording; Expenses. Prior to the delivery and acceptance hereunder of any Unit, Manager will cause this Management Agreement and Schedule No. 1, fully completed, to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. 11303, and the Equipment to be duly registered in the Official Railway Equipment Register and the Universal Machine Language Equipment Register. The Manager will also cause any management agreement assignment during the term hereof to be so filed and recorded. The Manager will from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register, record and deposit (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Owner for the purpose of proper protection, to the satisfaction of Owner, of the title of the Owner or of Teltrain, as the case may be, to the Equipment or for the purpose of carrying out the intention of this Management Agreement. The Manager will promptly furnish to the Owner evidences of all such filing, registering, recording, depositing, refiling, reregistering, rerecording and/or redepositing, and an opinion or opinions of counsel for the Manager with respect thereto satisfactory to the Owner.

Promptly upon request therefor from Manager, Owner shall reimburse Manager for all out-of-pocket expenses

incurred by Manager in connection with the filing and recording of this Management Agreement, any management agreement assignment, such other instruments and documents as are required to be prepared, filed, recorded, rerecorded, deposited or redeposited, and the reasonable fees of legal counsel incurred pursuant to this Section 21.

22. Interest on Overdue Payments. Anything to the contrary herein contained notwithstanding, any non-payment of amounts and other obligations due hereunder by Manager shall result in the obligation on the part of the Manager promptly to pay also, to the extent legally enforceable, an amount equal to Eighteen Per Cent (18%) per annum of the overdue amounts for the period of time during which they are overdue or such lesser amount as may be legally enforceable.

23. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States certified mails, first class postage prepaid, addressed as follows:

if to the Owner:

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

with copies to:

Teltrain, Inc.
c/o Telerate Systems Incorporated
1345 Avenue of the Americas
New York, New York 10019
Attention: William Miller

and

Railway Freight Car Services, Inc.
North Shore Towers
269-10C Grand Central Parkway
Floral Park, New York 11005
Attention: Harvey Polly

and

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

if to the Manager:

Columbus & Greenville Railway Company
P. O. Box 6000
Columbus, Mississippi 39701
Attention: Jim Thompson, Treasurer

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

24. Right to Perform. If Manager fails to make any payments required by this Management Agreement, or to perform any of its other agreements contained herein, Owner may itself, but shall not be required to, make any such payments or perform any such obligations. The amount of any such payment and Owner's expenses, including (without limitation) reasonable legal fees and expenses in connection therewith and with such performance, shall thereupon be and become payable by Manager to Owner upon demand unless such expenses are of the type which Owner is required to reimburse to Manager upon request as herein elsewhere provided.

25. Additional Covenants of Manager. Manager covenants and agrees that:

(A) As of the date each loan is made by Lender under the Loan Agreement: (i) all of Manager's representations and warranties in Section 17 of this Management Agreement shall be true and correct as though made on and as of such date: (ii) no litigation or governmental proceedings shall be threatened or pending against Manager or any subsidiary which in Owner's reasonable opinion will to a material extent adversely affect the ability of Manager to perform its obligations hereunder; (iii) no Event of Default, or event which might mature into an Event of Default, shall have occurred or be continuing hereunder;

(B) On or before the date the first loan is made by Lender under the Loan Agreement Manager shall deliver to Owner and Lender resolutions of the Board of Directors of Manager, certified by its Secretary or an Assistant Secretary and dated the date of such loan, authorizing the management of such Equipment hereunder and the execution, delivery and performance by Manager of this Management Agreement:

(C) On or before the date each Loan is made by Lender under the Loan Agreement, Manager shall deliver to Owner and Lender a favorable opinion of counsel for the Manager or special ICC counsel, acceptable to Owner, dated the date of said loan, to the effect that:

(1) Manager is a corporation duly organized and existing in good standing under the laws of the State of Mississippi;

(2) Manager is duly authorized to execute and deliver this Management Agreement, and is duly authorized to manage the Equipment hereunder and to perform its obligations hereunder;

(3) the execution and delivery of this Management Agreement by Manager, and the performance by Manager of its obligations hereunder and thereunder, do not and will not conflict with any provision of law or of the charter or by-laws of Manager or of any indenture, mortgage, deed of trust or agreement or instrument binding upon Manager or to which Manager is a party;

(4) the execution, delivery and performance of this Management Agreement by Manager and the consummation by Manager of the transactions contemplated hereby and thereby do not require the consent, approval or authorization of, or notice to, any federal or state governmental authority or public regulatory body;

(5) this Management Agreement is a legal, valid and binding obligation of Manager enforceable in accordance with its terms (except as may be affected by bankruptcy, reorganization, insolvency and similar laws affecting the rights of creditors generally):

(6) there are not to the knowledge of such counsel any pending or threatened actions or proceedings before any court or administrative agency which will, in the opinion of such counsel, to a material extent adversely affect the financial condition or continued operation of Manager and its subsidiaries on a consolidated basis;

(7) this Management Agreement and Schedule No. 1 have been duly filed and recorded with the ICC pursuant to 49 U.S.C. 11303, such filing and recording will protect Owner's interests in and to the Equipment, and no further filing or recording (or giving of notice) with any other federal, state or local government is necessary in order to protect the interests of Owner in and to the Units;

(8) to the effect set forth in subparagraph (h) of Section 17 hereof and as to such other matters as Owner shall reasonably request.

(D) On or before the date each loan is made by Lender under the Loan Agreement Manager shall deliver to Owner Certificates of Acceptance of Manager covering the Units of Equipment delivered pursuant to Section 2 hereof and relating to such loan.

(E) On or before the date each loan is made by Lender under the Loan Agreement Manager shall deliver to Owner a Certificate of Manager dated the date of such loan (i) acknowledging notice of the assignment of Owner's right, title and interest in, to and under this Agreement to Lender, (ii) acknowledging receipt of a copy of the Loan Agreement, and (iii) certifying as to the matters set forth in paragraph A of this Section 25 and further to the effect that this Agreement is in full force and effect and constitutes a valid and binding agreement of Manager, enforceable in accordance with its terms.

26. Severability; Effect and Modification of Management Agreement; Owner. Any provision of this Management Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, 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.

This Management Agreement, and Exhibits hereto, exclusively and completely states the rights of the Owner and the Manager with respect to the Units. No variation or modification of this Management Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Owner and the Manager.

Whenever the term "Owner" is used in this Management Agreement, it shall mean Cantor, Fitzgerald Equities Corp., for itself and as agent for Teltrain, and any assignee, in whole or in part, of Owner's rights hereunder, including any Secured Party.

27. Execution. This Management Agreement may be executed in several counterparts, but the counterpart delivered to the Interstate Commerce Commission for recordation and subsequently redelivered to the Lender, shall be deemed the original counterpart and all other counterparts shall be deemed duplicates thereof.

28. Law Governing. The terms of this Management Agreement and all rights and obligations hereunder shall be governed by the laws of the State of New York: provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. 11303 and such additional rights arising out of the filing, registering, recording or depositing hereof and of any assignment hereof or out of the marking of the Units as shall be conferred by the laws of the several jurisdictions in which this Management Agreement or any assignment hereof shall be filed, registered, recorded or deposited and any rights arising out of the marking of the Units.

The parties hereto (a) designate the United States District Court for the Southern District of New York, as a forum where any and all matters pertaining to this Agreement may be adjudicated, and (b) by the foregoing designation, consent to the jurisdiction and venue of such Court for the purpose of adjudicating any and all matters pertaining to this Agreement. Each party hereto not having an agent for service of process of record with the Secretary of State of the State of New York hereby irrevocably appoints the Secretary of State of the State of New York as the agent for service of process in any proceeding instituted hereunder and each party hereto agrees that service of process upon such agent, in accordance with the then-prevailing and applicable law as hereinabove agreed to, with a copy of such summons or other instrument mailed to such party by United States Registered Mail at the address specified in Section 23 hereof, shall, upon receipt by such party, constitute proper service on such party for all purposes without objections of any kind whatsoever. Notwithstanding the provisions of this paragraph, any party hereto shall also be entitled to institute legal proceedings to adjudicate matters pertaining to this Agreement against the other in any other competent court.

29. Miscellaneous. A. This Management Agreement and the Exhibits hereto shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

B. This Agreement shall constitute an amendment, modification and restatement, in full, of each and every one of the terms and conditions of the Management Agreement, dated August 1, 1978, between Railway and Manager, (as assigned by Railway to Owner pursuant to the Assignment Agreement), to the extent said Management Agreement relates to the Units.

C. The Section headings set forth herein are for convenience and reference only and are not intended to modify, limit, describe or affect in any way the contents, scope, intent or interpretation of this Management Agreement.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by duly authorized officers, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

CANTOR, FITZGERALD EQUITIES CORP., for itself and as agent for Teltrain, Inc.

BY: _____
PRESIDENT

Attest: _____

COLUMBUS & GREENVILLE RAILWAY COMPANY

BY: _____
PRESIDENT

Attest: _____

STATE OF Miss.)
: ss:
COUNTY OF Lowndes)

BE IT REMEMBERED, that on the 8th day of March, 1979, before me, the subscriber, a Notary Public in and for said County and State, personally appeared the President, H. C. Brown of COLUMBUS & GREENVILLE RAILWAY COMPANY, the corporation whose name is subscribed to and which executed the foregoing instrument, and for himself and as such officer, and for and on behalf of said corporation, acknowledged that he did execute said instrument on behalf of said corporation, and that the signing and execution of said instrument is his free and voluntary act and deed, his free act and deed as such officer, and the free and voluntary act and deed of said corporation for the uses and purposes mentioned in said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal on the day and year aforesaid.

Marcella N. Dale
Notary Public

My Commission Expires Nov. 17th, 1979

STATE OF New York)
: ss:
COUNTY OF New York)

BE IT REMEMBERED, that on the 7th day of March, 1979, before me, the subscriber, a Notary Public in and for said County and State, personally appeared William P. Miller, President of CANTOR, FITZGERALD EQUITIES CORP., the corporation whose name is subscribed to and which executed the foregoing instrument, and for himself and as such officer, and for and on behalf of said corporation, acknowledged that he did execute said instrument on behalf of said corporation, and that the signing and execution of said instrument is his free and voluntary act and deed, his free act and deed as such officer, and the free and voluntary act and deed of said corporation for the uses and purposes mentioned in said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal on the day and year aforesaid.

Susan F. DiMeo
Notary Public

SUSAN F. DiMEO
NOTARY PUBLIC, STATE OF NEW YORK
No. 31-4606548
Qualified in New York County.
Commission Expires March 30, 1979

Exhibit A

SCHEDULE No. 1

to

RESTATED AND AMENDED MANAGEMENT AGREEMENT

Between

CANTOR, FITZGERALD EQUITIES CORP.

As Owner

AND

COLUMBUS & GREENVILLE RAILWAY COMPANY

As Manager

Dated as of August 1, 1978

Filed and recorded with the Interestate Commerce Commission pursuant to Section 11303 of Title 49, United States Code, on March ___, 1979, at _____, Recordation No. _____.

SCHEDULE NO. 1

SCHEDULE NO. 1 to Restated and Amended Management Agreement, dated as of August 1, 1978 (the "Management Agreement"), between Cantor, Fitzgerald Equities Corp. (the "Owner"), for itself and as agent for Teltrain, Inc. ("Teltrain"), and Columbus & Greenville Railway Company (the "Manager").

1. This Schedule is executed and delivered pursuant to the Management Agreement in order to identify certain boxcars subject to the Management Agreement.

2. (a) The Owner and the Manager hereby agree that the following described boxcars shall be subject to the Management Agreement and shall constitute "Units" as defined in the Management Agreement.

A.A.R Mech. Design	Manufacturer	Description	Numbers	Dimensions Inside Length	Inside Width	Inside Height	Doors Width	Number of Cars
"XM"	FMC Corporation	70-Ton, 50'6" Single Sheath Boxcars	CAGY 21,000 through CAGY 21,099	50'-6"	9'-6"	11'-1 3/4"	10'-0"	100

(b) The Owner, for itself and as agent for Teltrain, and the Manager hereby agree that the following described boxcars shall be subject to the Management Agreement and shall constitute "Units" as defined in the Management Agreement.

A.A.R Mech. Design	Manufacturer	Description	Numbers	Dimensions Inside Length	Inside Width	Inside Height	Doors Width	Number of Cars
"XM"	FMC Corporation	70-Ton, 50'6" Single Sheath Boxcars	CAGY 21,100 through CAGY 21,149	50'-6"	9'-6"	11'-1 3/4"	10'-0"	50

3. The Manager hereby acknowledges that the Owner, 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 a first security interest in the Units described above 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 Owner thereunder and with respect to the Units to be owned by Teltrain, the sale of such Units by Owner to Teltrain will be made subject and subordinate to such first lien and first security interest. The Manager hereby agrees that upon the written direction of the Owner or the Lender, it will (x) cause all amounts payable to Manager from Other Railroads (as defined in the Management Agreement) or from any other party for the use of or relating to the Units 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, (y) hold in trust any such amounts received by Manager and forthwith pay the same to the Lender, together with an accounting therefor and (z) make payment of all Remittances (as defined in the Management Agreement) and other amounts due or to become due to Manager under or arising out of the Management Agreement directly to the Lender or as the Lender may direct.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Schedule as of the day of , 1979.

CANTOR, FITZGERALD EQUITIES CORP.

By_____
Title:

COLUMBUS & GREENVILLE RAILWAY COMPANY

By_____
Title:

STATE OF)
: ss:
COUNTY OF)

BE IT REMEMBERED, that on the _____ day of _____, 1979, before me, the subscriber, a Notary Public in and for said County and State, personally appeared _____ of COLUMBUS & GREENVILLE RAILWAY COMPANY, the corporation whose name is subscribed to and which executed the foregoing instrument, and for himself and as such officer, and for and on behalf of said corporation, acknowledged that he did execute said instrument on behalf of said corporation, and that the signing and execution of said instrument is his free and voluntary act and deed, his free act and deed as such officer, and the free and voluntary act and deed of said corporation for the uses and purposes mentioned in said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal on the day and year aforesaid.

_____
Notary Public

STATE OF)
: ss:
COUNTY OF)

BE IT REMEMBERED, that on the ___ day of _____, 1979, before me, the subscriber, a Notary Public in and for said County and State, personally appeared of CANTOR, FITZGERALD EQUITIES CORP., the corporation whose name is subscribed to and which executed the foregoing instrument, and for himself and as such officer, and for and on behalf of said corporation, acknowledged that he did execute said instrument on behalf of said corporation, and that the signing and execution of said instrument is his free and voluntary act and deed, his free act and deed as such officer, and the free and voluntary act and deed of said corporation for the uses and purposes mentioned in said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal on the day and year aforesaid.

_____
Notary Public

EXHIBIT B
TO
MANAGEMENT AGREEMENT

CERTIFICATE OF ACCEPTANCE

Reference is made to that certain Restated and Amended Management Agreement ("Management Agreement"), dated as of August 1, 1978, between CANTOR, FITZGERALD EQUITIES CORP., for itself and as agent for Teltrain, Inc., and Columbus & Greenville Railway Company.

The undersigned does hereby certify that the Units whose serial numbers are listed below have been inspected by the undersigned, conform to the specifications for Units contained in the specification sheets R-9134-78 and drawing SK-971 attached to the Purchase Letter, from FMC Corporation to Harvey Industries, Inc., dated January 10, 1979, as well as the specifications and requirements of the Management Agreement, are each marked in accordance with Section 7 of the Management Agreement, and conform to all applicable governmental regulations, and that the undersigned, as the Manager's authorized representative, hereby accepts such Units.

Dated: , 1979

_____
Manager's Authorized
Representative

Total Number of Units:

Serial Numbers of Units: