



CIS EQUIPMENT LEASING CORPORATION

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INTERSTATE COMMERCE COMMISSION

August 6, 1982

LETTER AGREEMENT

Mr. James B. Shein
President
Funding Systems Railcars, Inc.
2215 Sanders Rd.
Suite 370
Northbrook, IL 60062

Re: Amendment of Railcar Lease Agreement dated as of June 30, 1982, with respect to Schedule No. 2.

Dear Mr. Shein:

Reference is made to that certain Railcar Lease Agreement (the "Lease") dated as of June 30, 1982, between Funding Systems Railcars, Inc., as Lessor, and CIS Equipment Leasing Corporation, as Lessee. For purposes of Schedule No. 2 to the Lease, to be executed concurrently with this Letter Agreement, the Lease is amended as follows:

1. Section 5.2 of the Lease is hereby amended by adding the following sentence at the end thereof: "Notwithstanding the foregoing, Lessor in its sole discretion upon giving Lessee not less than one hundred twenty (120) days' written notice prior to December 15, 1983, can terminate Lessee's option to renew for the first one-year renewal period."

2. Section 6.1 is hereby amended by adding at the end thereof the words "and the prior written consent of the holder of a perfected security interest constituting a first lien upon such Car if that permission is required by such holder in his security documents."

3. Section 7.2 is hereby amended by adding the following sentence at the end thereof: "If Tradewater fails to remove such alterations or attachments upon reasonable notice from Lessor prior to the termination of this Lease, then Lessor can either remove such alterations or attachments at the expense of Tradewater or Lessor can decide not to remove such alterations or attachments in which case such alterations or attachments shall be part of the Cars subject to this Lease and shall be subject to any security interest applicable to such Cars."

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4. A new Section 18 entitled "Conditional Assignment" as set forth in Exhibit A hereto, is added in its entirety to the Lease.

This Letter Agreement shall not affect the Cars subject to Schedule No. 1 dated as of June 30, 1982, to the Lease. Said Cars shall be governed by the terms of the Lease as in effect prior to the amendments set forth herein. Funding Systems Railcars, Inc. will be identified as Lessor on the applicable Schedule to the Master Equipment Lease and a copy of said Schedule will be furnished to you in due course.

Very truly yours,

CIS EQUIPMENT LEASING CORPORATION

By: 
Its: Vice President

Understood and Agreed:

FUNDING SYSTEMS RAILCARS, INC.

By: 
Its: President

EXHIBIT A

Section 18: Conditional Assignment

Notwithstanding anything in Section 1.2 to the contrary, Lessee hereby conditionally assigns all of its rights with respect to the Cars under the Master Equipment Lease to Lessor, said assignment to be conditioned upon and effective upon, and only upon, the happening of one or more of the following events:

(1) Lessee fails to pay over to Lessor car hire and mileage revenues earned by a Car and received by Lessee for a monthly rental period up to an amount equal to the monthly rental payable hereunder in accordance with the terms of the Lease and Schedule No.2;

(2) Lessee fails to pay over to Lessor any payment received by Lessee with respect to the Cars pursuant to Section 7.C of the Master Equipment Lease;

(3) Lessee fails to fulfill its best efforts obligations under Section 9.3 and 12 and such failure, with respect to Section 9.3, is not cured within thirty (30) days and/or such failure, with respect to Section 12, is not cured within ten (10) days of its receipt of written notice from Lessor specifying in reasonable detail the nature of such alleged failure to use best efforts;

(4) After using its best efforts as set forth in (3) above, Lessee is unable to enforce on Lessor's behalf Section 9.3 of the Master Equipment Lease and such failure is not cured within ten (10) days of Lessee's receipt of written notice from Lessor specifying in reasonable detail the nature of such alleged failure;

(5) Lessee ceases to engage in the business activities contemplated by this Agreement; or

(6) The filing with respect to Lessee of any voluntary or involuntary petition under any bankruptcy, reorganization or insolvency law or under any other similar law, or the appointment of a receiver or trustee to take possession of any properties of Lessee, unless with respect to an involuntary petition only, such petition ceases to be in effect within thirty (30) days after the date of its filing.

SCHEDULE NO. 2

Dated as of August 6, 1982

To Railcar Lease Agreement dated as of June 30, 1982 (the "Agreement") between Funding Systems Railcars, Inc. ("Lessor") and CIS Equipment Leasing Corporation ("Lessee"). For purposes of this Schedule No. 2 only, said Agreement is amended in accordance with the Letter Agreement of even date herewith between Lessor and Lessee.

The terms used herein shall have the same meaning as such terms in the Agreement, as amended.

1. Description of Railcars: Subject to the terms and conditions of the Agreement and this Schedule, Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor the below described railcars:

| <u>CAR NUMBERS</u> | <u>DESCRIPTION</u> | <u>NO. OF CARS</u> |
|--|---|--------------------|
| TWRY (#'s to be assigned prior to the delivery of the cars) | Used, 1979 built Chessie and N&W open top hoppers | 100 |

2. Delivery Location: Providence, Kentucky.
3. Term of Lease: Approximately 16 months, commencing from the Average Date of Delivery applicable to this Schedule and terminating on December 15, 1983; provided that Lessor shall have thirty (30) days from the date of this Schedule No. 2 to deliver the last of the Cars subject to this Schedule. Lessor shall be entitled to all car hire revenues earned by a Car prior to its delivery to Lessee pursuant to Section 2.2 of the Lease so long as such Car is delivered not later than thirty days from the date of this Schedule. Lessee shall be entitled to all car hire revenues earned by a Car marked with Trade-water markings prior to its delivery to Lessee if such Car is not delivered to Lessee not later than thirty days from the date of this Schedule.
4. Rental Charge: Subject to Section 4.2 of the Agreement, \$280.00/Car/month during the first ten months of the term hereof and \$350/Car/month thereafter; provided that with respect to any Car or Cars terminated pursuant to Section 11.2 during the first ten months of the term hereof the rental/Car/month for such Car or Cars shall be retroactively increased to \$350/Car/month as of the beginning of the lease term with respect to such Car or Cars and Lessee shall, subject to Section 4.2 of the Agreement, upon demand from Lessor immediately pay over to Lessor the increase in rental provided for herein. Delivery charges to Delivery Location are to be paid by Lessor.

5. Rental Payment: Lessee shall remit to Lessor all care hire earnings received for the month in question and to which Lessor is entitled pursuant to this Agreement, within ten (10) days after the end of each calendar month. Any car hire earnings relating to a given calendar month that are not paid to Lessor within ten (10) days after the end of the month in which received by Lessee shall bear interest (to be charged on a daily basis) at a per annum rate of seventeen percent (17%) commencing on the eleventh day of the month in which such payment was to be made.

6. Excess Mileage Penalty: For each mile in excess of 25,000 that each car covered by this Agreement travels in a calendar year, there will be an additional charge of \$0.025/car/mile. Excess mileage charges for partial years shall be computed on a pro-rate basis.

7. Escalation: Using as a base, the Hourly Car Hire Rate Tables effective July 1, 1982, any subsequent increase in the hourly car hire rate during the term of this lease, above its level as of July 1, 1982, which is published in the Official Railway Equipment Register, shall be applied on a percentage basis to the monthly rental payments. The monthly rental charge herein shall be increased by the same percentage as the hourly car hire rate increase. For example, if the hourly car hire for a Car is \$1.00 on July 1, 1982, and one year later the hourly car hire then applicable for that Car (which is then 1 year older) has been increased to \$1.05, the Rental Charge for that car will increase to \$367.50 per month.

FUNDING SYSTEMS RAILCARS, INC.
Lessor

By: James Blair
Title: PRESIDENT

CIS EQUIPMENT LEASING CORPORATION
Lessee

By: [Signature]
Title: Vice President

STATE OF ILLINOIS)
 :
COUNTY OF COOK)

On this 6th day of August, 1982, before me personally appeared James B. Shein, to me personally known, who being by me duly sworn, says that he is an authorized officer of FUNDING SYSTEMS RAILCARS, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon Schumacker

Notary Public

My Commission Expires Jan. 27, 1985

(Notarial Seal)

STATE OF ILLINOIS)

COUNTY OF COOK)

On this 6th day of August, 1982, before me personally appeared Steven C. Bieneman, to me personally known, who being by me duly sworn, says that he is an authorized officer of CIS EQUIPMENT LEASING CORP., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon Schumacher

Notary Public

My Commission Expires Jan. 27, 1985

(Notarial Seal)