RECORDATION NO. 10757-K Filed 1425

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INTERSTATE COMMERCE COMMISSION

ARVEY, HODES, COSTELLO & BURMAN

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INTERSTATE COMMERCE COMMISSION

4-142A136

No. MAY 21 1984

Date

Fee $ 60.00

ICC Washington, D.C.

May 18, 1984

The Honorable James Bayne
Acting Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue N.W.
Washington, D.C. 20423

RECORDATION NO. 10757-L Filed 1425

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INTERSTATE COMMERCE COMMISSION

Re: Documents for Recordation

Dear Mr. Secretary:

I have enclosed an original and three copies/counterparts of the documents described below to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

(1) These documents are (A) a Certificate of Sale dated July 6, 1983, (B) a certified copy of the Order of the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, dated numc pro tunc May 25, 1983, and (C) a certified copy of the Order of the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, dated April 19, 1984. All of these documents are secondary.

The primary document to which these are connected is recorded under Recordation No. 10757. The primary names to index these documents are:

Mortgagor: Funding Systems Railcars, Inc.
2215 Sanders Road
Northbrook, Illinois 60062

Mortgagee: General Electric Credit Coproration
260 LongRidge Road
Stamford, Connecticut 06902

(2) We request that this assignment be cross-indexed.

The names and address to the parties to the documents are as follows:

Mortgagor: Weiler-Arnow Investment Company
1114 Avenue of the Americas
New York City, New York 10036

Mortgagor: Funding Systems Railcars, Inc.
2215 Sanders Road
Northbrook, Illinois 60062

Mortgagor: FSC Corporation
2215 Sanders Road
Northbrook, Illinois 60062

Manager: Upper Merion and Plymouth Railroad Company
P.O. Box 404
Conshocken, Pennsylvania 19428

Mortgagee: General Electric Credit Corporation
260 LongRidge Road
Stamford, Connecticut 06902

(3) The description of the equipment covered by the document is as follows:

One hundred and seventy nine (179) standard gauge railroad open-top hopper cars (AAR mechanical designation: H350), 45', 100 ton 3,433 cu. ft. capacity. Bearing Road Nos. UMP 6920-7935; and UMP 7937-7099.

(4) The parties to the Agreement are as follows:

Mortgagor: Weiler-Arnow Investment Company
1114 Avenue of the Americas
New York City, New York 10036

Mortgagor: Funding Systems Railcars, Inc.
2215 Sanders Road
Northbrook, Illinois 60062

Mortgagor: FSC Corporation
2215 Sanders Road
Northbrook, Illinois 60062

Manager: Upper Merion and Plymouth Railroad Company
P.O. Box 404
Conshocken, Pennsylvania 19428

Mortgagor: General Electric Credit Corporation
260 LongRidge Road
Stamford, Connecticut 06902

(5) Please return the stamped recorded original and any extra copies not needed by the Commission for recordation to: Steven Bright, Suite 3800, 180 North LaSalle Street, Chicago,

Illinois 60601. A self-addressed mailing label is enclosed for your convenience.

(6) The fee of $60.00 is enclosed.

(7) A short summary of the document to appear in the index is as follows:

> Certificate of Sale pursuant to Uniform Commercial Code and certified copies of Orders of Court regarding foreclosure sale of Cars bearing road nos. UMP 6920-7935; UMP 7937-7099.

(8) The undersigned is one of the attorneys for General Electric Credit Corporatin, a party having knowledge of the matters described herein.

Very truly yours,

ARVEY, HODES, COSTELLO & BURMAN

By: Steven Bright

SB:azj
Enclosures
cc: Herman Gerte
Roy Scheider
John W. Costello

RECORDATION NO. 10757-K Filed 1425

MAY 21 1984 -4 40 PM

INTERSTATE COMMERCE COMMISSION

EOD SEP 28 1983

FILED

SEP 28 1983

R. Stuart Cunningham, Clerk
United States District Court

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re	)	
	)	
FUNDING SYSTEMS RAILCARS, INC.,	)	Chapter 11
	)	No. 81 B 11964
Debtor.	)	

JUDGE PLUNKETT

AGREED ORDER APPROVING APPLICATION FOR AUTHORITY TO COMPROMISE AND SETTLE CLAIMS, TO ABANDON AND CONSENT TO THE FORECLOSURE OF PROPERTY OF THE ESTATE AND TO REJECT EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND FOR OTHER RELIEF (the "Order")

At Chicago, Illinois, in said District and Division, ~~August~~ SEPTEMBER 28, 1983, nunc pro tunc May 25, 1983

This matter coming on to be heard on the Application of Funding Systems Railcars, Inc., the debtor and debtor-in-possession herein ("FSR"), dated April 11, 1983 for authority to compromise and settle certain claims and controversies, consent to the abandonment and foreclosure of certain property of the estate and reject certain executory contracts and unexpired leases and for other relief (the "Application"); and certain responses and objections to the Application having been filed by (i) The Avco Corporation Retirement Income Trust, The Paul Revere Protective Life Insurance Company, The Paul Revere Variable Annuity Accounts

This is to certify that the within and attached document is a full, true and correct copy of the original thereof as the same appears on file in the office of the Clerk of the United States Bankruptcy Court for the Northern District of Illinois.

WAYNE E. NELSON
CLERK OF COURT

By _____ Deputy Clerk

Dated 2-6-84

Nos. 1 and 2, The Paul Revere Variable Annuity Insurance Company (collectively, the "Avco Creditors"), Citicorp Leasing, Inc. ("Citicorp") and Girard Bank, as agent for the Avco Creditors and Citicorp, on April 21, 1983, (ii) Greycas, Inc. ("Greycas") on April 21, 1983, (iii) Barclays American/ Business Credit, Inc. ("Barclays") on April 21, 1983, (iv) The Life Insurance Company of Virginia and Continental Financial Services Co. (collectively, "Life of Virginia") on April 21, 1983, (v) The Bank of New England ("New England") on April 21, 1983, (vi) U.S. Steel Credit Corporation ("U.S. Steel") on April 21, 1983, (vii) General Electric Credit Corporation ("GECC") on April 19, 1983, (viii) Northwestern National Life Insurance Company, Northern Life Insurance Company and North Atlantic Life Insurance Company (collectively, "N.W. Life") on April 19, 1983 (all of the foregoing collectively referred to as the "Responding Lenders") and (ix) Pullman Standard, Inc. ("Pullman") on or about May 4, 1983; and the responses and objections of the Responding Lenders having been settled or withdrawn pursuant to various orders of this Court dated May 4, 10 and 25, 1983 respectively, as certain of said orders are amended by a certain letter agreement dated May 17, 1983 (the "Letter Agreement") (collectively, the "Settling Orders" and certain of the foregoing orders individually referred to as "_____'s" Settling

Order); and after the hearing on the objection of Pullman and the response of FSR to said objection, the Court having denied the objection of Pullman pursuant to order dated May 4, 1983; and the Court having heard and considered the statements of counsel for FSR, the Responding Lenders, the Equipment Owners (as that term is defined in the Application) and other creditors and parties in interest at various hearings held on April 25, 1983 and May 4, 10 and 25, 1983, respectively; and the Court having heard and considered the testimony of Alex Knopfler, a partner at Seidman & Seidman, Certified Public Accountants, the Court-appointed financial consultants and accountants for FSR, on May 4, 1983; and the Court having reviewed and considered the respective sworn affidavits dated May 4, 1983 of Stoddard D. Platt, representative of Swig/Weiler-Arnow (as hereinafter defined) and William F. Cox, representative of the Refco Entities (as hereinafter defined); and due and sufficient notice of the Application and hearings thereon having been given to all parties entitled thereto; and after due deliberation and sufficient cause appearing therefor, IT IS HEREBY FOUND as follows:

Background

I. This chapter 11 case was commenced on September 28, 1981, by the filing of an involuntary petition under the Bankruptcy Reform Act of 1978, as amended, 11 U.S.C. §101 et. seq. (the "Code"). An order for relief was entered upon the consent of FSR on October 6, 1981.

II. FSR is in the business of leasing and managing open-top hopper, gondola, covered-hopper and box railcars and related equipment. In connection therewith, FSR owns six subsidiary companies (FSR and its subsidiaries collectively, the "FSR Entities"), including two short-line railroads, the Upper Merion and Plymouth Railroad Company, a Pennsylvania corporation ("UMP"), and the Wisconsin & Southern Railroad Co., a Wisconsin corporation ("WSOR") (collectively, the "Roads") (FSR and the Roads collectively referred to from time to time as the "FSR Companies"). The Roads manage certain of the railcars and utilize and otherwise facilitate the movement of certain of the railcars in which FSR has an interest.

III. Since October 6, 1981, FSR, as debtor and debtor-in-possession, has continued the operation of its business in the ordinary course and has otherwise performed the functions and duties of a trustee serving in this chapter

11 case pursuant to the provisions of §§ 1107 and 1108 of the Code.

Transaction Documents

IV. Prior to the commencement of this case, FSR acquired certain of the railcars in its fleet by entering into equipment lease agreements with certain railcar equipment lessors and manufacturers. Pursuant to prior orders of this Court, all of the abovementioned equipment leases have been rejected in accordance with the applicable provisions of §365 of the Code or otherwise terminated by their own terms.

V. The balance of the fleet of railcars acquired by FSR prior to the commencement of this case were purchased by FSR and, to the extent applicable, the Roads from certain railcar equipment manufacturers under various secured financing arrangements entered into with the lenders listed in Exhibit 1 annexed to the Application (hereinafter collectively, the "Secured Car Lenders"). All of the transaction documents evidencing or relating to the indebtedness of FSR and, if applicable, the Roads to the Secured Car Lenders in connection with the acquisition and financing of these railcars including, but not limited to, promissory notes, security agreements, consent and transfer agreements, bills of sale, assignments and assumption agreements, conditional sale agreements, participation agreements and leases and/or man-

agement agreements are hereinafter collectively referred to as the "Loan Documents." The indebtedness of FSR and to the extent applicable, the Roads, to the Secured Car Lenders under the Loan Documents is hereinafter referred to as the "Railcar Debt."

VI. The Secured Car Lenders were granted first choate and paramount security interests and liens in the railcars purchased by FSR and, to the extent applicable, the Roads pursuant to the Loan Documents (such railcars collectively referred to as the "Railcars").

VII. The Railcars were sold, subject to the security interests and liens of the Secured Car Lenders, to various investors, including The Swig Investment Company, a California general partnership, The W-A Equipment Company, a New York general partnership, The Weiler-Arnow Investment Company, a New York general partnership, (collectively referred to as "Swig/Weiler-Arnow"), Film Properties, Inc., Refco Equipment, Inc., Refco Transport Equipment, Inc., and Refco Rail Equipment, Inc., each Delaware corporations (collectively referred to as "Refco" or the "Refco Companies"), which investors are collectively referred to as the "Equipment Owners." FSR also sold certain of the Railcars on a secured installment basis to Comet Leasing Corp., a Delaware corporation ("Comet"), and Melopom Leasing Corp., a New York

corporation ("Melopom"). Comet and Melopom, in turn, sold the Railcars acquired by them to Refco.

VIII. In most instances, FSR retained a subordinated security interest and lien in the Railcars to secure the repayment of the applicable Equipment Owner, Comet or Melopom installment promissory notes which were executed and delivered to FSR in connection with their acquisition of the Railcars. All of the transaction documents relating to the sale of the Railcars by FSR to the Equipment Owners and evidencing the indebtedness of the Equipment Owners to FSR including, but not limited to, installment promissory notes, security agreements, purchase and sale agreements, consent and transfer agreements, assignment agreements and bills of sale, and specifically including, but not limited to, those promissory notes listed on Exhibit 2 annexed to the Application, are collectively referred to as the "Equipment Owner Documents." The Equipment Owner Documents specifically relating to the Refco Railcars are collectively referred to as the "Refco Documents," and those specifically relating to the Refco installment promissory notes listed on Exhibit 2 of the Application are collectively referred to as the "Refco Notes." The Equipment Owner Documents specifically relating to the Swig/Weiler-Arnow Railcars are collectively referred to as the "Swig/Weiler-Arnow Documents," and those specifically

relating to the Swig/Weiler-Arnow installment promissory notes listed on Exhibit 2 of the Application are collectively referred to as the "Swig/Weiler-Arnow Notes" (the Refco Notes and Swig-Weiler/Arnow Notes are collectively referred to as the "Equipment Owner Notes"). Those transaction documents evidencing or relating to the sale of the Railcars by FSR to Comet and Melopom and evidencing the indebtedness of Comet and Melopom to FSR including, but not limited to, installment promissory notes, security agreements, purchase and sale agreements, consent and transfer agreements, assignment agreements and bills of sale, and specifically including, but not limited to, those promissory notes listed on Exhibit 3 annexed to the Application, are collectively referred to as the "Comet and Melopom Documents," and those specifically relating to the promissory notes listed on Exhibit 3 of the Application are collectively referred to as the "Comet and Melopom Notes." Copies of the Equipment Owner, Comet and Melopom Notes are annexed to the Application as Exhibit 4.

IX. In addition to the Equipment Owner Notes, the Equipment Owners executed and delivered to FSR certain promissory notes which were discounted and sold by FSR to Lincoln First Bank, N.A., of Rochester, New York ("LFBR"), in connection with the Equipment Owners' acquisition of the Railcars. The promissory notes which may remain due and payable by the

Equipment Owners to LFBR are listed on Exhibit 5 annexed to the Application (the "LFBR Notes").

X. Upon Refco's acquisition of the Railcars from FSR, Comet or Melopom, Refco entered into long-term lease and remarketing agreements for the Railcars with FSR. Upon Swig/Weiler-Arnow's acquisition of the Railcars from FSR, Swig/Weiler-Arnow entered into long-term management and maintenance agreements for the Railcars with the Roads and remarketing agreements with FSR. The Roads, in turn, entered into certain assignment, sub-management and maintenance agreements for the Railcars to which Swig/Weiler-Arnow and certain of the Secured Car Lenders were not parties. The lease and remarketing agreements and assignment, sub-management and maintenance agreements specifically relating to the Refco Railcars are collectively referred to as the "Equipment Owner Leases." The management and maintenance agreements and remarketing agreements and assignment, sub-management and maintenance agreements relating to the Swig/ Weiler-Arnow Railcars are collectively referred to as the "Equipment Owner Management Agreements". The Equipment Owner Leases and Equipment Owner Management Agreements (collectively, the "Equipment Owner Leases and Management Agreements"), exclusive of the assignment, sub-management and maintenance

agreements entered into by the Roads, are listed on Exhibit 6 annexed to the Application.

XI. The financing provided to FSR by the Secured Car Lenders in connection with FSR's acquisition of the Railcars generally was for a term of fifteen years. The Swig/Weiler-Arnow Notes are payable on an installment basis over a twenty year term. Similarly, the Equipment Owner Management Agreements were for a term of twenty years. The Refco Notes and Comet and Melopom Notes are payable on an installment basis over a fifteen year term. The Equipment Owner Leases were either for a term of fifteen or twenty years.

The Swig/Weiler-Arnow Notes and Equipment Owner Management Agreements

XII. The Swig/Weiler-Arnow Notes and Equipment Owner Management Agreements are, in pertinent part, summarized as follows:

(a) The consideration payable to FSR upon Swig/Weiler-Arnow's purchase of the Railcars is payable through the LFBR Notes and on an installment basis under the Swig/Weiler-Arnow Notes. FSR, however, financed only approximately 71% of the purchase price. A portion of the difference between the cash downpayment made by Swig/Weiler-Arnow and that made by FSR in connection with the acquisition of the Railcars was obtained from LFBR by discounting certain additional notes executed and delivered by Swig/Weiler-Arnow to FSR as discussed hereinabove. The LFBR Notes

represented a portion of the cost of acquiring the Railcars and, accordingly, FSR has already realized the proceeds thereof. The LFBR Notes are secured by letters of credit delivered to LFBR by Swig/Weiler-Arnow.

(b) The Swig/Weiler-Arnow Notes provide that principal and accrued interest is payable on a current basis only out of surplus revenues generated by the management of the Railcars. Any amounts due in excess of Railcar revenues are deferred to approximately the year 2000 or later, at which time they are payable solely out of excess Railcar foreclosure or sale proceeds.

(c) The Equipment Owner Management Agreements provide that the management fees to be paid thereunder are payable currently only out of surplus Railcar revenues. Any such fees in excess of Railcar revenues are deferred to approximately the year 2000 or later, at which time they are payable by Swig/Weiler-Arnow.

(d) The Swig/Weiler-Arnow Notes and Equipment Owner Management Agreements further provide that all amounts due to FSR are deferred to approximately the year 2000 or later, in the event of a continuing default thereunder. Swig/Weiler-Arnow claims that the Equipment Owner Management Agreements are in default. Upon termination of the Equipment Owner Management Agreements, neither installments due under the Swig/Weiler-Arnow Notes nor any management fees would be payable until approximately the year 2000 or later.

(e) In respect of the Swig/Weiler-Arnow Notes, FSR alleged that, based on its books and records as of December 31, 1982, it has accrued, and included in taxable income, interest totalling

$2,369,584 which has been deferred and is payable by Swig/Weiler-Arnow only as aforesaid because the Railcars have not generated excess revenues from which these amounts may be paid. Further, in respect of the Equipment Owner Management Agreements, FSR alleged that it has accrued, and included in taxable income, management fees totalling $767,513. Because revenues have been insufficient, payment of this sum may be deferred to approximately the year 2000 or later.

The Refco Notes and Equipment Owner Leases

XIII. The Refco Notes and Equipment Owner Leases are, in pertinent part, summarized as follows:

(a) FSR obtained from LFBR a portion of the cash downpayment paid on its acquisition of the Refco Railcars by discounting to LFBR certain additional notes executed and delivered by Refco to FSR. These notes represented prepayments of interest due under the Refco Notes. The LFBR Notes were backed by letters of credit delivered by Refco.

(b) The Refco Notes provide that all amounts due to FSR thereunder are deferred to approximately the year 2000 if any event of default under the Equipment Owner Leases occurs. Refco claims such agreements to be in default. Upon rejection of the Equipment Owner Leases all amounts due FSR under the Refco Notes are irrevocably deferred to approximately the year 2000.

(c) In respect of the Refco Notes, FSR alleges that based on its books and records, as of December 31, 1982, the sum of $2,026,550 remains outstanding, representing the prepaid interest on the Refco Notes, and, accordingly, FSR

has not yet reported this amount as taxable income.

The Parties' Claims and Defenses

XIV. The Equipment Owners claim that FSR and, to the extent applicable, the Roads are presently in default of various agreements between them, including the Equipment Owner Leases and Management Agreements. FSR claims that, except with respect to the LFBR Notes, the Equipment Owners, Comet and Melopom are in default of various agreements between them including the Equipment Owner Leases and Management Agreements and the Equipment Owner, Comet and Melopom Notes. Similarly, the Secured Car Lenders claim that FSR and, to the extent applicable, the Roads are presently in default of the Loan Documents.

XV. FSR has made repeated and extensive demands for payment of the Equipment Owner, Comet and Melopom Notes and has expended substantial time and effort in its attempts to enforce collection thereof.

XVI. The Equipment Owners have asserted numerous defenses, offsets and counterclaims to the demands of FSR, including but not limited to:

Claims of the Equipment Owners

(a) The Equipment Owners assert claims for damages against FSR and the Roads aggregating in excess of $276 million based on their allegations of FSR's and the Roads' breach of contract.

(Affidavit of William F. Cox, President of Refco, dated May 4, 1983 (the "Refco Affidavit"); Affidavit of Stoddard D. Platt, representative of Swig/Weiler-Arnow, dated May 4, 1983 (the "Swig/ Weiler-Arnow Affidavit")).

(b) The Refco Affidavit asserts, inter alia, that Refco has damages resulting from breaches of various purchase agreements and the Equipment Owner Leases totalling approximately $86 million, exclusive of i) lost residual value of the Railcars, ii) lost remarketing sums, iii) unpaid lease rentals, iv) unpaid administration expense claims and v) compensatory and consequential damages. Further, the Refco Affidavit asserts that under the Equipment Owner Leases, there are unpaid lease rentals due and owing to Refco from October 1, 1981 to March 31, 1983, totalling approximately $9.9 million, which sum Refco alleges is entitled to administrative priority status herein. The unpaid lease rentals from July 1, 1981 through the end of the various lease terms total approximately $159 million, which sum Refco alleges to be damages which it suffers as a consequence of the breach and rejection of the Equipment Owner Leases.

(c) The Swig/Weiler-Arnow Affidavit asserts, inter alia, that Swig/Weiler-Arnow has lost or will lose ownership in the Railcars and is damaged to the extent of in excess of $22 million, exclusive of i) lost residual value of the Railcars, ii) attorneys' fees and iii) compensatory and consequential damages. Further, the Swig/Weiler-Arnow Affidavit asserts that Swig/ Weiler-Arnow has claims against the Roads arising under, among other documents, the Equipment Owner Management Agreements.

(d) Refco and Swig/Weiler-Arnow further assert that any and all sums that might be owing to this bankruptcy estate under the Equipment Owner Notes are deferred to approximately the year 2000, and no sums whatsoever are presently due and owing to the estate. Further, although a portion of certain of the Equipment Owner Notes is presently recourse to the Equipment Owners, said Owners claim that (other than with respect to the LFBR Notes) the recourse obligations are subject to reduction in the event of foreclosure by the Secured Car Lenders in respect of such Lenders' interests in the Railcars.

Claims of FSR

XVII. FSR asserts various claims and rights against the Equipment Owners, Comet and Melopom, as testified to, in part, by Alex Knopfler on May 4, 1983, in support of the Application (the "Knopfler Testimony"), as follows (all figures in the Knopfler Testimony are based on the books and records of FSR and the Roads as of December 31, 1982):

(a) There is a total recourse obligation due to FSR by Comet and Melopom under the Comet and Melopom Notes of $41,498,934 (exclusive of any reduction or deferral). Of the $41,498,934, $28,750,000 constitutes a recourse obligation due Comet or Melopom from Refco. This indebtedness under the Comet and Melopom Notes is reduced by, inter alia, the fair market value of the Railcars sold or foreclosed upon.

(b) Utilizing assumed market values for the Railcars ranging from $12,000-$20,000 (depending on the car type

involved), the foreclosure proceeds in respect of the applicable Refco Railcars total $20,310,000. Applying this to reduce the recourse obligation of $28,750,000 would leave a recourse obligation of $8,440,000. However, the foregoing sum would be deferred to approximately the year 2000.

(c) In respect of the Swig/Weiler-Arnow Notes, the indebtedness is largely recourse and as at December 31, 1982, the outstanding principal amount due to FSR was $16,123,526. Assuming fair market values of $20,000 per car, the recourse obligation is subject to reduction by $11,580,000, leaving a recourse liability of $4,543,526.

(d) In addition to the net recourse liability under the Swig/Weiler-Arnow Notes, the sum of $767,513, representing accrued but unpaid management fees, must be added to the Swig/Weiler-Arnow recourse liability, bringing the total recourse obligation of Swig/Weiler-Arnow to $5,311,039, which sum may be deferred to approximately the year 2000.

Claims of the Secured Car Lenders

XVIII. The Secured Car Lenders claim that FSR and to the extent applicable, the Roads, are in default of the Loan Documents and that, accordingly, the approximate sum of $86,562,996, representing principal and interest due thereunder as of October 6, 1981, is claimed to be presently due and owing. In addition thereto, the Secured Car Lenders' claim that FSR and to the extent applicable, the Roads, are indebted to them for maintenance escrow funds, casualty loss

proceeds, compensatory and consequential damages and certain other charges and claims arising both prior and subsequent to the commencement of this case, including, without limitation, claims for use of the Railcars during the pendency of this case.

Summary of Compromise and Settlement

XIX. The FSR Entities (as hereinafter defined), the Equipment Owners and the Secured Car Lenders have agreed to settle and compromise the various claims, controversies, causes of action and interests held by and among each other including, but not limited to i) the FSR Entities' claims against the Equipment Owners, Comet and Melopom under the Equipment Owner, Comet and Melopom Notes and the Equipment Owner Leases and Management Agreements, ii) the Equipment Owners' claims against the FSR Entities for breach of various agreements including the Equipment Owner Leases and Management Agreements, iii) the Equipment Owners' and Secured Car Lenders' claims against FSR and the Roads for use of the Railcars during the pendency of this case, which, as to FSR, the Equipment Owners and the Secured Car Lenders assert are entitled to administrative or other priority status pursuant to the applicable provisions of the Code, iv) the Equipment Owners' claims against the FSR Entities arising upon the rejection and/or termination of the Equipment Owner Leases

and Management Agreements, v) all of the claims, if any, of the Secured Car Lenders against the Equipment Owners and the FSR Entities except as otherwise provided in the Order, and vi) the claims, if any, of the FSR Entities and the Equipment Owners against the Secured Car Lenders, except as otherwise provided in the Order.

XX. The Equipment Owners shall, among other things, i) convey to FSR their right, title and interest in the Railcars, ii) pay to FSR the aggregate sum of $1.5 million and iii) release the FSR Entities and the Secured Car Lenders from any and all claims (in respect of the Railcar transactions and any and all matters relating to, arising in or connected with FSR's and Funding Systems Railcars Leasing, Inc.'s chapter 11 cases) in consideration of the full and complete release to them by the FSR Entities and the Secured Car Lenders of any and all further claims, obligations and liabilities (in respect of the Railcar transactions and any and all matters relating to, arising in or connected with FSR's and Funding Systems Railcars Leasing, Inc.'s ("Leasing") chapter 11 cases) and obtaining an assignment of all claims the FSR Entities and the Secured Car Lenders have against Comet and Melopom, as well as an assignment to the Equipment Owners of the Equipment Owner Notes and Comet and Melopom Notes.

XXI. Solely as between FSR and the other FSR Entities, only FSR has any rights, claims or interests in, to or under the Equipment Owner Notes and Equipment Owner Documents and, accordingly, only FSR is entitled to any amounts payable by the Equipment Owners pursuant to the Order.

Settlement Analysis

XXII. As set forth in the Knopfler Testimony, the settlement can be analyzed, as follows:

(a) Under the Refco Notes, there is no assurance of recovery by FSR if foreclosure takes place since it is not anticipated that the proceeds realized on foreclosure will exceed the debt of FSR to the Secured Car Lenders.

(b) Assuming a 13% discount factor and a payment 17-1/2 years in the future, the present value of the recourse obligation of Refco to FSR is $994,191, exclusive of other permitted offsets.

(c) Utilizing the discount factors mentioned above in respect of Refco, the present value of Swig/Weiler-Arnow's obligation to FSR is $625,614, exclusive of other permitted offsets.

(d) The present value of all of the Equipment Owner obligations, then, is approximately $1,619,805.

(e) If the Secured Car Lenders foreclose their security interests and liens in the Railcars, FSR will have certain net operating loss carryovers. Assuming a fair market valuation of $20,000, FSR would be entitled to a bad debt deduction equal to the excess of the Swig/Weiler-Arnow Notes over the fair market value. FSR would also

be entitled to an additional bad debt deduction for any accrued and unpaid interest and management fees which FSR previously reported as taxable income. The foregoing sums total approximately $7,181,000.

(f) FSR would further be entitled to a bad debt deduction equal to the excess of the Refco Notes over a) the fair market value of the Railcars and b) the outstanding portion of the Refco Notes representing prepaid interest. Based on the fair market value of the various car types ranging between $12,000 and $20,000 per car, the bad debt deduction would equal approximately $44,179,000, which sum might be reduced by approximately $11,000,000 based on a final resolution of certain tax variables.

(g) In addition to the bad debt deductions referenced above, FSR may be entitled to ordinary loss deductions for write-offs of certain capitalized costs relating to the Equipment Owner Lease Agreements.

(h) FSR will not be able to collect any greater sum than the amount which the Equipment Owners will pay to it pursuant to this settlement. Accordingly, the cost of legal proceedings or other collection efforts against the Equipment Owners, Comet and Melopom would not be justified herein. Therefore, after giving due credit for the reduction of claims including those against the Equipment Owners, Comet and Melopom resulting from the conveyance to FSR of the Equipment Owners' interests in the Railcars and the payment to it of the aggregate sum of $1.5 million, any additional sums which may be claimed by FSR to be due and owing from the Equipment Owners,

Comet and Melopom are noncollectible and of no realizable value.

(i) Time is of the essence as the tax laws relating to the transactions described in the Order may change effective January 1, 1984.

XXIII. As a result of breaches by the FSR Entities and the rejection and termination authorized by the Order of the Swig/Weiler-Arnow Documents, Swig/Weiler-Arnow has asserted losses and damages which exceed $22 million, which sum is exclusive of lost residual value of the Railcars, attorneys fees and compensatory damages. Swig/Weiler-Arnow also has asserted unquantified claims against the FSR Entities for damages resulting from the breach of the Equipment Owner Management Agreements.

XXIV. As a result of breaches by the FSR Entities and the rejection and termination authorized by the Order of the Equipment Owner Leases, Refco has asserted claims against FSR for unpaid lease rentals (i) from October 1, 1981 to March 31, 1983 totalling approximately $9.9 million, which sum Refco claims is entitled to administrative expense status, and (ii) from July 1,1981 through the end of the lease term totalling approximately $159 million which sum includes both unpaid pre-petition rent and unpaid rent resulting from the breach, termination and rejection of the Equipment Owner Leases. In addition, Refco has asserted claims against the

FSR Entities for breach of the Refco Documents totalling approximately $86 million, exclusive of the lost residual value of the Railcar equipment, lost remarketing sums, other administrative expense claims, and compensatory and consequential damages.

Secured Car Lender Orders

XXV. Prior to the filing of the Application and pursuant to the following described orders, FSR compromised and settled certain of the claims, interests, controversies and causes of action existing by and among it, the Roads, certain of the Secured Car Lenders and certain of the Equipment Owners (collectively, the "Lender Orders" and each of the following orders individually referred to as "_____'s Lender Order"):

(a) Pursuant to the U.S. Steel Agreed Order dated February 26, 1982, the Settlement Agreement by and between U.S. Steel, Refco Rail Equipment, Inc. and FSR dated February 17, 1982 was approved and the §362(a) automatic stay was vacated on February 26, 1982, as to U.S. Steel, with respect to the 120 100-ton open top hopper railcars in which U.S. Steel holds a valid and perfected first security interest and lien. The U.S. Steel Lender Order dated February 26, 1982 by and among FSR, U.S. Steel and Refco Rail Equipment, Inc. is modified and amended as provided in the U.S. Steel Settling Order dated August ___, 1983, nunc pro tunc May 25,1983.

(b) Pursuant to the U.S. Steel Agreed Order dated June 4, 1982, which was entered

upon the consent of FSR, WSOR, U.S. Steel and The Weiler-Arnow Investment Company on or about December 31, 1982, the automatic stay was vacated as to U.S. Steel with respect to the 100 gondola railcars in which they held a valid and perfected first security interest and lien. The U.S. Steel Lender Order dated June 4, 1982 by and among FSR, WSOR, U.S. Steel and The Weiler-Arnow Investment Company shall remain unimpaired as provided in the U.S. Steel Settling Order dated August ___, 1983 nunc pro tunc May 25, 1983 among the foregoing parties. Pursuant to the foregoing Lender Order, U.S. Steel foreclosed its interests on March 17, 1983.

(c) Pursuant to the GECC Agreed Order Settling and Compromising Adversary Proceeding dated August 27, 1982, which was entered upon the consent of FSR, UMP, GECC and The Weiler-Arnow Investment Company, the automatic stay vacated as to GECC with respect to the 179 100-ton open top hopper cars in which it holds a valid and perfected first security interest and lien upon the occurrence of an event of default as set forth in paragraph 5, page 7 of the Agreed Order. The GECC Lender Order dated August 27, 1982 is amended and modified as provided in the GECC Settling Order dated May 10, 1983. Pursuant to the foregoing Lender Order, as modified, GECC foreclosed its interests on July 6, 1983 following the giving of a Notice of Foreclosure on June 10, 1983 and the publication of such Notice on June 20, 1983.

(d) Pursuant to the Avco Creditors and Citicorp Agreed Order dated September 30, 1982, which was entered upon the consent of FSR, the Roads, the Avco Creditors and Citicorp, Refco and Swig/Weiler-Arnow, among certain other parties, FSR rejected certain of the Equipment Owner Leases and abandoned its interests in the 398 box-

cars in which the Avco/Revere creditors held a valid and perfected first security interest and lien, among other matters. The Avco Creditors and Citicorp Lender Order dated September 30, 1982 is amended and modified as provided in the Avco Creditors Settling Order dated July 20, 1983 nunc pro tunc May 25, 1983 and Citicorp Settling Order dated July 20, 1983 nunc pro tunc May 25, 1983. Pursuant to the foregoing Lender Order, the Avco Creditors foreclosed their interest in the foregoing boxcars on February 1, 1983 and the Avco Creditors and Citicorp foreclosed their interest in the balance of the railcars referenced in said Lender Order on May 4, 1983.

(e) Pursuant to the Indianapolis Life Insurance Company ("ILI") Agreed Order dated February 24, 1983, nunc pro tunc December 30, 1982, approved by the District Court on March 1, 1983, which was entered upon the consent of FSR, ILI, UMP and Refco Transport Equipment, Inc., FSR rejected certain of the Equipment Owner Leases and abandoned its interests in the 55 boxcars in which ILI held a valid and perfected first security interest and lien, and ILI foreclosed its interest in such Railcars on April 4, 1983. Pursuant to the ILI Lender Order, ILI shall deliver to FSR the Comet Notes delivered to it.

(f) Pursuant to the Federated Income and Private Placement Fund, et al. ("Federated") Agreed Order dated February 24, 1983, approved by the District Court on March 1, 1983, which was entered upon the consent of FSR, the Roads, Refco, and Federated, FSR rejected certain of the Equipment Owner Leases and abandoned its interests in the 153 boxcars in which Federated held a valid and perfected first security interest and lien, and Federated foreclosed its interest in said Railcars on April 4, 1983.

(g) Pursuant to the E.F. Hutton Credit Corporation ("Hutton") Agreed Order dated April 7, 1983, which was approved by the District Court on April 15, 1983 which was entered upon the consent of FSR, the Roads, Refco and Hutton, FSR rejected certain of the Equipment Owner Leases and abandoned its interests in the 100 boxcars in which Hutton held a valid and perfected first security interest and lien, and Hutton foreclosed its interest in said Railcars on May 25, 1983.

Representations and Warranties

XXVI. The Equipment Owners, FSR and the Roads have made the following representations and warranties in connection with the Order, which are incorporated herein:

(a) Swig/Weiler-Arnow represents and warrants to the FSR Entities that:

(i) To the best of Swig/Weiler-Arnow's information, knowledge and belief, annexed to the Application as Exhibit 7 is a true, correct and accurate listing of each Equipment Owner Management Agreement which Swig/Weiler-Arnow has assigned to any third party and to whom such assignment has been made.

(ii) To the best of Swig/Weiler-Arnow's information, knowledge and belief, no such assignee identified in Exhibit 7 has further assigned its rights in any such Equipment Owner Management Agreement.

(iii) To the best of Swig/Weiler-Arnow's information, knowledge and belief, none of the rights, claims or interests of Swig/Weiler-Arnow against the

FSR Entities have been transferred, conveyed or assigned to any third party, except as identified in Exhibit 7.

(b) The Refco Entities (as hereinafter defined) represent and warrant to the FSR Entities that:

(i) To the best of the Refco Entities' information, knowledge and belief, they have not assigned any Equipment Owner Leases.

(ii) To the best of the Refco Entities' information, knowledge and belief, none of the rights, claims or interests of the Refco Entities against the FSR Entities have been transferred, conveyed or assigned to any third party.

(c) The FSR Entities represent and warrant to Swig/Weiler-Arnow that, to the best of their information, knowledge and belief, except as to the Secured Car Lenders, they have not transferred, conveyed or assigned any Equipment Owner Management Agreement, Swig/Weiler-Arnow Note (except the LFBR Notes), or any of the rights, claims or interests of the FSR Entities against Swig/Weiler-Arnow.

(d) The FSR Entities represent and warrant to the Refco Entities (as hereinafter defined) that, to the best of their information, knowledge and belief, except as may be disclosed on Exhibit 8 annexed to the Application and except as to the Secured Car Lenders, it has not transferred, conveyed or assigned any Refco Owner Lease, Refco, Comet or Melopom Note (except the LFBR Notes) or any of the rights, claims or interests of the

FSR Entities against the Refco Entities.

(e) The FSR Entities represent and warrant to the Equipment Owners that the Equipment Owner and Comet Notes listed on Exhibit A have been lost, stolen, seized or destroyed or are not otherwise in their possession and said Exhibit A contains a full and complete listing of all such Notes.

(f) The FSR Entities represent and warrant to the Equipment Owners that they have made or caused to be made diligent search for the Equipment Owner and Comet Notes listed on Exhibit A, and have been unable to find or otherwise recover the same, except as otherwise noted on Exhibit A. The FSR Entities further represent and warrant to the Equipment Owners that, to the best of their information, knowledge and belief, they have not sold, assigned, pledged, transferred, deposited under any agreement, or hypothecated or endorsed the Equipment Owner and Comet Notes listed on Exhibit A or any interest therein, or signed any power of attorney or any authorization respecting the same which is now outstanding and in force, or otherwise disposed of said Notes; and no person, firm, corporation, agency or government other than the FSR Entities have, or have asserted, any right, title, claim, equity or interest in, to or respecting the Equipment Owner and Comet Notes listed on Exhibit A or the proceeds thereof, except as noted on said Exhibit A.

(g) The FSR Entities covenant that should they find or recover any original copy 1 or any other counterpart or copy of any Equipment Owner or Comet

Notes listed on Exhibit A of the Order or any guarantees thereof, if any, the FSR Entities will immediately surrender the same to the applicable Equipment Owner for cancellation and termination and said Notes shall be deemed null and void and of no further force and effect without requiring any consideration therefor, and FSR shall in no event assign any such Note to any party whatsoever prior to, contemporaneous with or after the surrender thereof to the applicable Equipment Owner.

(h) The Refco Entities represent and warrant that, to the best of their information, knowledge and belief, they do not have in their possession nor are they aware of the whereabouts of any of the Refco or Comet Notes listed on Exhibit A and covenant that should they find or otherwise recover any one or more of said Notes, they will so notify FSR and further, agree that said Notes will be deemed to be terminated and cancelled, null and void and of no further force and effect.

(i) Swig/Weiler-Arnow represents and warrants that, to the best of its information, knowledge, and belief, it does not have in its possession nor is it aware of the whereabouts of any of the Swig/Weiler-Arnow Notes listed on Exhibit A except as noted in said Exhibit A and covenants that should it find or otherwise recover any one or more of said Notes, they will so notify FSR and further agree that said Notes will be deemed to be terminated and cancelled, null and void and of no further force and effect.

XXVII. Time is of the essence in respect of concluding the transactions contemplated by the Application and authorized and approved by the Order.

Conclusions Of Law

XXVIII. Any of the foregoing findings of fact which may be deemed conclusions of law are incorporated in these conclusions of law with the same force and effect as though expressly set forth herein.

XXIX. FSR, pursuant to the applicable provisions of the Code, stands in the position of a hypothetical lien creditor, and thus, in respect of all of the Equipment Owner, Comet and Melopom Notes is entitled to sell, assign and transfer same to the applicable Equipment Owners.

XXX. Considering, inter alia, i) the present depressed economic condition of the railcar management industry generally, ii) the amount of debt due and owing to the Secured Car Lenders, iii) the current market value of the Railcars which secure this debt, iv) the availability of railcars in the marketplace under more favorable terms than those provided under the Loan Documents and the Equipment Owner Leases and Management Agreements, v) the amounts claimed by the Secured Car Lenders and Equipment Owners against the FSR Entities to bring current the Loan Documents, to cure defaults under the Equipment Owner Leases and Management

Agreements and to provide adequate assurance of FSR's future performance of its ongoing obligations thereunder, vi) the release of the alleged claims of the Equipment Owners against the FSR Entities totalling in excess of $276 million, vii) the sum of $1.5 million to be paid to the estate upon consummation of the terms and conditions of the Order, viii) the facilitation of FSR's efforts to preserve its net operating losses for the benefit of its creditors, ix) the enhancement of FSR's prospects for reorganization as a management company, and x) the elimination of protracted, costly and complex litigation, the Court concludes that the interests of FSR and all of its creditors are best served by approval of the terms and conditions of the comprehensive compromise and settlement of certain of the claims, controversies, causes of action and interests held by and among FSR, the Roads, Secured Car Lenders and Equipment Owners, and further concludes, as a matter of law, that said comprehensive compromise and settlement as set forth in the Order is fair and equitable and in the best interests of all creditors; and there being no objections to the entry of the Order and the Court being fully advised in all the premises and having made the findings of fact and reached the conclusions of law set

forth above, IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

Swig/Weiler-Arnow Settlement

1. Effective upon the Order becoming the Final Order (as hereinafter defined),

A. The Swig/Weiler-Arnow Documents (including the Swig/Weiler-Arnow Notes) and the Equipment Owner Management Agreements (except any assignment, sub-management, sublease or other agreement relating to the use of the Railcars by any third parties, to which agreement(s) neither Swig/Weiler-Arnow nor certain of the Secured Car Lenders are parties) are hereby terminated, cancelled, deemed null and void and of no further force and effect.

B. The FSR Entities hereby sell, assign and transfer to Swig/Weiler-Arnow all of their right, title and interest in and to i) the Swig/Weiler-Arnow Notes and ii) any applicable rights, claims, defenses and Swig/Weiler-Arnow Notes which will be assigned to the FSR Entities pursuant to the Order, without recourse or warranty. Except for the Swig/Weiler-Arnow Notes listed on Exhibit A to the Order, the FSR Entities shall deliver all of the above-referenced Notes to Swig/Weiler-Arnow at the Closing (as hereinafter defined) and shall further deliver certified copies of those Swig/Weiler-Arnow Notes listed on Exhibit A which are on file at the Interstate Commerce Commission.

C. Notwithstanding any other provision of the Order, with respect to original copy 1 of the Swig/Weiler-Arnow Note which is listed on Exhibit B to the Order, which is lost, stolen, missing, destroyed, assigned, transferred or otherwise no longer in the possession of the FSR Entities, the FSR Entities and their successors and assigns

hereby indemnify and hold harmless Swig/Weiler-Arnow and their present and former partners, agents, affiliates, executors, administrators, assigns, beneficiaries, subsidiaries, heirs, successors, pledgees and principals from and against any and all actual damages, judgments, losses, liabilities, costs and expenses which they incur on, with respect to or arising out of original copy 1 of the Swig/Weiler-Arnow Note listed on Exhibit B to the Order including, without limitation, reasonable attorneys' fees, provided, however, that Swig/Weiler-Arnow a) defends in good faith against any actions, claims or liabilities which may be asserted against it by any holder of the original copy 1 of the Swig/Weiler-Arnow Note listed on Exhibit B to the Order, b) secures the prior consent of FSR to the retention of counsel by Swig/Weiler-Arnow to defend it against such actions, claims or liabilities, which consent shall not be unreasonably withheld (FSR hereby consents to the retention of Weil, Gotshal & Manges as counsel to Swig/Weiler-Arnow), c) cooperates and consults with FSR in connection with the defense of such actions, claims or liabilities and d) secures the prior consent of FSR to the settlement of such actions, claims or liabilities, which consent shall not be unreasonably withheld. If original copy 1 of the Swig/Weiler-Arnow Note listed on Exhibit B to the Order is found or otherwise recovered and surrendered to Swig/Weiler-Arnow for cancellation and termination as provided in subparagraph XXVI(g) or (i), then the indemnity set forth in this subparagraph shall terminate.

D. Except as otherwise expressly provided in paragraphs 11 and 12 below, the FSR Entities (and their officers, directors, agents, affiliates, assigns, subsidiaries, successors, pledgees and principals) and Swig/Weiler-Arnow (and its partners, agents, affiliates, executors, administrators, assigns, beneficiaries, subsidi-

aries, heirs, successors, pledgees and principals) each hereby remise, release, quitclaim and forever discharge the other and their respective present and former officers, directors, shareholders, partners, agents, affiliates, executors, administrators, assigns, beneficiaries, subsidiaries, heirs, successors, pledgees and principals of and from any and all manner of action or actions, cause or causes of action, suits, debts, dues, duties, sum or sums of money, accounts, covenants, contracts, agreements, promises, damages, judgments, claims and demands whatsoever in law or equity or otherwise which each ever had or may now have for, upon or by reason of any matter, cause or thing whatsoever; and further which each can, shall or may have in the future in respect of the Swig/Weiler-Arnow Documents (including the Swig/Weiler-Arnow Notes), and the Equipment Owner Management Agreements, the Railcar Debt, and the Loan Documents or any and all matters relating to, arising in or connected with FSR's and Leasing's chapter 11 cases.

E. Swig/Weiler-Arnow hereby is authorized and directed to pay to FSR at the Closing (as hereinafter defined) the sum of FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($500,000.00) by cash, certified or bank cashier's check or by wire transfer of immediately available federal funds, as payment of accrued and unpaid management fees owing by Swig/Weiler-Arnow.

F. Subject to paragraph 12 below, the FSR Entities, Swig/Weiler-Arnow and Secured Car Lenders and their respective officers, directors, shareholders, partners, agents, affiliates, executors, administrators, assigns, beneficiaries, subsidiaries, heirs, successors, pledgees, and principals hereby shall not demand payment or performance of, or seek recovery for any loss arising out of the failure to pay or perform, any obligation or liability of the FSR Enti-

ties or Swig/ Weiler-Arnow including, without limitation, any obligation or liability relating to or arising out of the Swig/Weiler-Arnow Documents (including the Swig/Weiler-Arnow Notes) and the Equipment Owner Management Agreements and Loan Documents, or the transactions contemplated therein or any and all matters relating to, arising in or connected with FSR's and Leasing's chapter 11 cases from any present and former officers, directors, shareholders, partners, agents, affiliates, executors, administrators, assigns, beneficiaries, subsidiaries, heirs, successors, pledgees and principals of the FSR Entities or Swig/Weiler-Arnow, whether under any contractual rights contained in any guaranty, surety or similar agreement or agreements or pursuant to any other remedies otherwise available at law or in equity. In addition and subject to paragraph 1D and 12, neither Swig/ Weiler-Arnow nor any of its partners, agents, affiliates, executors, administrators, assigns, beneficiaries, subsidiaries, heirs, successors, pledgees and principals shall assert or file any claim against the FSR Entities or the present and former officers, directors, shareholders, agents, affiliates, assigns, subsidiaries, successors, pledgees and, principals of the FSR Entities including but not limited to in this or any other bankruptcy or reorganization case.

G. Swig/Weiler-Arnow and its partners, affiliates, executors, administrators, assigns, beneficiaries, subsidiaries, heirs, successors, pledgees and principals i) shall not acquire, directly or indirectly, by assignment or otherwise, any debt interest in the FSR Entities except debt which may be incurred subsequent to entry of the Order by the FSR Entities in the ordinary course of the operation of their businesses and ii) shall not acquire directly or indirectly any equity interest in the FSR Entities. The provisions of subparagraphs

(G)(i) and (ii) notwithstanding, Swig/ Weiler-Arnow shall not be precluded from acquiring an equity or debt interest in any entity which may itself hold an equity or debt interest in the FSR Entities, provided that a) said entity does not exist or was not organized principally for the purpose of holding any equity or debt interest in the FSR Entities, and b) Swig/Weiler-Arnow does not make the foregoing acquisition principally for the purpose of acquiring a debt or equity interest in the FSR Entities. Subject to the immediately preceeding sentence, if Swig/Weiler-Arnow acquires an equity interest in an entity which holds greater than a ten percent (10%) equity interest in the FSR Entities, Swig/Weiler-Arnow shall a) in no event exercise shareholder or management control over the FSR Entities and b) to the extent Swig/Weiler-Arnow has a controlling interest in the acquired entity or is otherwise in a position to, cause said entity to divest, to the extent feasible and within a reasonable time period, that entity's equity interest in the FSR Entities to no greater than ten percent (10%). Further, any stock certificate of any FSR Entity which may be issued subsequent hereto shall prohibit the transfer, sale, assignment or any other conveyance thereof to any Swig/Weiler-Arnow entity or its partners, agents, affiliates, executors, administrators, assigns, beneficiaries, subsidiaries, heirs, successors, pledgees and principals.

Refco Settlement

2. Effective upon the Order becoming the Final Order (as hereinafter defined):

A. The Refco Documents (including the Refco Notes) and the Equipment Owner Leases (except any assignment, sub-management, sublease or other agreement relating to

the use of the Railcars by any third parties to which agreement(s) Refco is not a party) and any guarantees thereof, if any, are hereby terminated, cancelled, deemed null and void and of no further force and effect. The FSR Entities hereby sell, assign and transfer all of their right, title and interest in and to the Refco Notes and any guarantees thereof to Refco, and the FSR Entities shall deliver all of the above-referenced Notes, except for the Refco Notes listed on Exhibit A to the Order, and any guarantees thereof which guarantees may be in their possession,to Refco at the Closing (as hereinafter defined).

B. The FSR Entities hereby sell, assign and transfer to Refco, subject only to paragraph 2(J), all of their right, title and interest (including set-offs, counterclaims and defenses) in and to (i) the Comet and Melopom Notes, any secured guarantee agreements, any guarantees thereof and any related claims which the FSR Entities have or may have against Comet or Melopom or their respective present and former officers, directors, shareholders, agents, affiliates, assigns, subsidiaries, successors, pledgees and principals; (ii) and any rights, claims, defenses and Equipment Owner, Comet and Melopom Notes which will be assigned or transferred to the FSR Entities pursuant to the Order, without recourse or warranty. Except for the Comet Notes listed on Exhibit A to the Order, the FSR Entities shall deliver all the above-referenced Notes and any guarantees thereof which guarantees may be in their possession to Refco at the Closing (as hereinafter defined).

C. Notwithstanding any other provision of the Order, with respect to original copy 1 of the Refco Note which is listed on Exhibit C to the Order and the Comet Notes which Notes are also listed on Exhibit C

to the Order which are lost, stolen, missing, destroyed, assigned, transferred or otherwise no longer in the possession of the FSR Entities, the FSR Entities and their successors and assigns hereby indemnify and hold harmless the Refco Entities (as hereinafter defined) and their present and former officers, directors, shareholders, agents, affiliates, assigns, subsidiaries, heirs, successors, pledgees, and principals from and against any and all actual damages, judgments, losses, liabilities, costs and expenses which they incur on, with respect to or arising out of the original copy 1 of the Refco Note, and the Comet Notes listed on Exhibit C to the Order including, without limitation, reasonable attorneys' fees, provided, however, that the Refco Entities a) defend in good faith against any actions, claims or liabilities which may be asserted against it by any holder of the Refco and Comet Notes listed on Exhibit C to the Order, b) secure the prior consent of FSR to the retention of counsel by the Refco Entities to defend them against such actions, claims or liabilities, which consent shall not be unreasonably withheld (FSR hereby consents to the retention of Weil, Gotshal & Manges as counsel to the Refco Entities), c) cooperate and consult with FSR in connection with the defense of such actions, claims or liabilities, which consent shall not be unreasonably withheld. If, as and when any of the original copy 1 of the Refco Note, and the Comet Notes listed in Exhibit C to the Order are found or otherwise recovered and surrendered to the Refco Entities for cancellation and termination as provided in subparagraph XXVI(g) and (h), then the indemnity set forth in this subparagraph shall terminate only as to any such Note which is found, recovered and surrendered but said indemnity shall remain in full force and effect as to all other Note(s) listed on Exhibit C to the Order.

D. Except as otherwise expressly provided in paragraphs 11 and 12 below, the FSR Entities (and their officers, directors, agents, affiliates, assigns, subsidiaries, successors, pledgees and principals), and Refco and Refco Management Services, Inc. (collectively, the "Refco Entities") (and their respective officers, directors, shareholders, agents, affiliates, assigns, subsidiaries, successors, pledgees and principals including but not limited to G.L. Corp., n/k/a Great Lakes Corporation, and its officers, directors, shareholders, agents, affiliates, assigns, subsidiaries, successors, pledgees and principals), each hereby remise, release, quitclaim and forever discharge the other and their respective present and former officers, directors, shareholders, agents, affiliates, assigns, subsidiaries, successors, pledgees and principals of and from any and all manner of action or actions, cause or causes of action, suits, debts, dues, duties, sum or sums of money, accounts, covenants, contracts, agreements, promises, damages, judgments, claims and demands whatsoever in law or equity or otherwise, which each ever had or may now have for, upon or by reason of any matter, cause or thing whatsoever; and further which each can, shall or may have in the future in respect of the Refco Documents (including the Refco Notes) and the Equipment Owner Leases, the Comet and Melopom Documents, the Railcar Debt and the Loan Documents or any and all matters relating to, arising in or connected with FSR's and Leasing's, chapter 11 cases.

E. Anything in the Order notwithstanding, Trans Union Leasing Corporation ("Trans Union") is and shall be treated as a Secured Car Lender whose rights and interests as a Secured Car Lender, to the extent of its interest as a Secured Car Lender, shall be governed by the Order and Trans Union shall be entitled, among other things and in addition to any rights

granted to the Refco Entities herein, a) to retain and assert against FSR and FSR alone any claim for payments under the Interim Operating Plan for the period January 1, 1983 through April 30, 1983 and any maintenance escrow in respect of the Trans Union Railcars and b) to obtain an equity interest in the FSR Entities only to the extent such interest is distributed by FSR under a plan of reorganization in this case.

F. Refco hereby is authorized and directed to pay to FSR at the Closing (as hereinafter defined) the sum of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) by cash, certified or bank cashier's check or by wire transfer of immediately available federal funds, as payment of accrued and unpaid interest owing by Refco to FSR under certain of the Refco Notes.

G. Notwithstanding any other provision of the Order, the Refco Entities and their successors and assigns hereby indemnify and hold the FSR Entities and their officers and directors harmless from any and all actual damages, judgments, losses, liabilities, costs and expenses including, but not limited to, reasonable attorneys' fees, which the FSR Entities incur with respect to or arising out of any agreement and the transactions contemplated therein between the FSR Entities and i) the maker of the Comet and Melopom Notes and ii) the Marmon Retirement Master Trust, provided that the FSR Entities a) defend in good faith against any actions, claims or liabilities which may be asserted against it by Comet, Melopom or the Marmon Retirement Master Trust, b) secure the prior consent of the Refco Entities to the retention of counsel by the FSR Entities to defend them against such actions, claims or liabilities, which consent shall not be unreasonably withheld (the Refco Entities hereby consent to the retention of Nachman, Munitz & Sweig, Ltd. as counsel to the FSR

Entities), c) cooperate and consult with the Refco Entities in connection with the defense of such actions, claims or liabilities, and d) secure the prior consent of the Refco Entities to the settlement of any such actions, claims or liabilities, which consent shall not be unreasonably withheld.

H. Subject to paragraph 12 below, the FSR Entities, the Refco Entities and Secured Car Lenders and their respective officers, directors, shareholders, partners, agents, affiliates, executors, administrators, assigns, beneficiaries, subsidiaries, heirs, successors, pledgees and principals hereby shall not demand payment or performance of, or seek recovery for any loss arising out of the failure to pay or perform, any obligation or liability of the FSR Entities or Refco Entities including, without limitation, any obligation or liability relating to or arising out of the Refco Documents (including the Refco Notes) and the Equipment Owner Leases, Loan Documents, Refco, Comet and Melopom Notes, or the transactions contemplated therein or any and all matters relating to, arising in or connected with FSR's and Leasing's chapter 11 cases from any present and former officers, directors, shareholders, agents, affiliates, assigns, subsidiaries, successors, pledgees and principals of the FSR Entities or Refco Entities, whether under any contractual rights contained in any guaranty, surety or similar agreement or agreements or pursuant to any other remedies otherwise available at law or in equity. In addition and subject to Paragraph 2D and 12, the Refco Entities and their officers, directors, shareholders, agents, affiliates, assigns, subsidiaries, successors, pledgees and principals shall not assert or file any claim against the FSR Entities or the present and former officers, directors, shareholders, agents, affiliates, assigns, subsidiaries, successors,

pledgees and principals of the FSR Entities including but not limited to in this or any other bankruptcy or reorganization case.

I. The Refco Entities and their officers, directors, shareholders, agents, affiliates, assigns, subsidiaries, successors, pledgees and principals (other than Trans Union, as provided in subparagraph (E) above) i) shall not acquire, directly or indirectly, by assignment or otherwise, any debt interest in the FSR Entities except debt which may be incurred subsequent to entry of the Order by the FSR Entities in the ordinary course of the operation of their businesses and ii) shall not acquire directly or indirectly any equity interest in the FSR Entities. The provisions of subparagraphs I(i) and (ii) notwithstanding, the Refco Entities shall not be precluded from acquiring an equity or debt interest in any entity which may itself hold an equity or debt interest in the FSR Entities, provided that (a) said entity does not exist or was not organized principally for the purpose of holding any equity or debt interest in the FSR Entities, and (b) the Refco Entities do not make the foregoing acquisition principally for the purpose of acquiring a debt or equity interest in the FSR Entities. Subject to the immediately preceeding sentence, if the Refco Entities acquire an equity interest in an entity which holds greater than a ten percent (10%) equity interest in the FSR Entities, the Refco Entities shall a) in no event exercise shareholder or management control over the FSR Entities and b) to the extent the Refco Entities have a controlling interest in the acquired entity or are otherwise in a position to, cause said entity to divest, to the extent feasible and within a reasonable time period, that entity's equity interest in the FSR Entities to no greater than ten percent (10%). Further, any stock certificate of any FSR Entity which may be issued sub-

sequent hereto shall prohibit (other than with respect to the interest of Trans Union as a Secured Car Lender as provided in subparagraph (E) above), the transfer, sale, assignment or any other conveyance thereof to any Refco Entity or its officers, directors, shareholders, agents, affiliates, assigns, subsidiaries, successors, pledgees and principals.

J. If any of the FSR Entities are required to defend any actions, claims or liabilities which may be asserted against it by Comet or Melopom (or their successors, assigns or pledgees) pursuant to paragraph 2(G)(a), then any defenses, counterclaims and set-offs assigned to the Refco Entities pursuant to paragraph 2B hereof shall be reassigned to the FSR Entities solely for defensive purposes and not for any affirmative relief or otherwise, and the Refco Entities shall, to the extent permitted by law, also be permitted to utilize said defenses, counterclaims and set-offs in such lawsuit. Notwithstanding anything to the contrary in the immediately preceeding sentence, nothing contained herein shall in any way affect, diminish or alter the assignment of the Comet and Melopom Notes to the Refco Entities hereunder including, without limitation, the ability of the Refco Entities to exercise their rights, title and interests in and to and any defenses, counterclaims and set-offs arising in and under the Comet or Melopom Notes.

K. Notwithstanding anything to the contrary in the Order, nothing contained herein shall release or be deemed to release any rights, claims or interests which the FSR Entities or the Refco Entities may each have against the other in respect of new transactions relating to agreements for the lease or management of the Railcars entered into from and after May 1, 1983.

3. Effective upon the Order becoming the Final Order, the Equipment Owner Leases (except for any assignment, sub-lease, sub-management or other agreement relating to the use of the Railcars by any third parties, to which agreement(s) the Equipment Owners are not a party) are hereby rejected to the extent executory pursuant to the applicable provisions of §365 of the Code and all of the FSR Entities' and the Equipment Owners' rights, title and interests therein hereby are terminated. Further, FSR shall cause the Roads to terminate the Equipment Owner Management Agreements (except for any assignment, sub-lease, sub-management or other agreement relating to the use of the Railcars by any third parties, to which agreement(s) the Equipment Owners and certain of the Secured Car Lenders are not parties), and all of the FSR Entities' and the Equipment Owners' interests in such agreements hereby are terminated.

4. Effective upon the Order becoming the Final Order, the Equipment Owners hereby transfer and convey all of their right, title and interest in and to the Railcars to FSR.

Secured Car Lender Settlement

5. The Order shall be binding on and inure to the benefit of the Secured Car Lenders, except as provided in the Settling Orders, as amended by the Letter Agreement (which

Settling Orders amend, modify and supersede the Lender Orders to the extent provided therein). To the extent there is an inconsistency between any Settling Order and the Order, said Settling Order shall govern the rights and interests of the parties to such Settling Order provided, however, that in all events paragraphs 6 and 7 of the Order shall govern. The Secured Car Lenders are hereby authorized and directed to assign any and all rights, claims and defenses and to deliver to FSR forthwith any and all Equipment Owner, Comet and Melopom Notes in their possession or control or which may hereafter come into their possession and control and hereby acknowledge that they have not assigned any rights, claims or defenses which they may have in or in respect of such Notes, whether or not such Notes are in their possession or control. Further, the Secured Car Lenders hereby assign to FSR any and all rights, claims and defenses which they may have against Comet or Melopom or their respective officers, directors, shareholders, agents, affiliates, assigns, subsidiaries, successors, pledgees and principals.

6. Except with respect to i) any obligations imposed by or required to carry out the terms of the Order and ii) any right, claim or defense which the Secured Car Lenders and the Equipment Owners may have against Comet or Melopom or their respective officers, directors, shareholders, agents,

affiliates, assigns, subsidiaries, successors, pledgees and principals, which rights, claims or defenses hereby are assigned by the Roads and the Secured Car Lenders to FSR which, in turn, hereby assigns said rights, claims and defenses to Refco subject to the provisions of paragraph 2(J), the Secured Car Lenders and the Equipment Owners hereby each remise, release, quitclaim and forever discharge the other and their respective present and former officers, directors, shareholders, partners, agents, affiliates, executors, administrators, assigns, beneficiaries, subsidiaries, heirs, successors, pledgees and principals of and from any and all manner of action or actions, cause or causes of action, suits, debts, dues, duties, sums or sums of money, accounts, covenants, contracts, agreements, promises, damages, judgments, claims and demands whatsoever in law or equity or otherwise which the Secured Car Lenders and Equipment Owners ever had, may now have or which the Secured Car Lenders and Equipment Owners can, shall or may have, for, upon or by reason of any matter, cause or thing whatsoever on, relating to or arising out of a) the Loan Documents, the Railcar Debt, the Equipment Owner Documents (including the Equipment Owner Notes), and the Equipment Owner Leases and Management Agreements, or b) any agreement or document assigned to the Secured Car Lender in connection with the

transactions contemplated in the Loan Documents, or c) any and all liabilities, indebtedness and causes of action now existing or hereafter arising of whatever nature or kind relating to the Railcars, whether such liabilities or indebtedness are direct or indirect, absolute or contingent or now due or hereafter to become due or d) any and all matters related to, arising in or connected with FSR and Leasing's chapter 11 cases.

7. Except with respect to i) any claims or rights expressly reserved in the Settling Orders; ii) any obligations imposed by or required to carry out the terms of the Order; iii) the Secured Car Lenders' interests in the Railcars; iv) any general unsecured claim of the Secured Car Lenders against FSR for any deficiency remaining upon the foreclosure of the Secured Car Lenders' interests in the Railcars upon the terms and conditions provided in the Order; v) any right, claim or defense that the FSR Entities, the Secured Car Lenders and the Equipment Owners may have against Comet or Melopom, or their assignees, pledgees and successors, which rights, claims and defenses shall be assigned by the Roads and the Secured Car Lenders to FSR, which, in turn, hereby assigns said rights, claims and defenses to Refco subject to the provisions of paragraph 2(J); vi) any claims against any Secured Car Lender for recovery of preferential

or fraudulent transfers of property and the defenses of the Secured Car Lenders thereto; and vii) any claims against FSR or the Roads for damages arising from and after the turnover of possession and/or control of the Railcars to the Secured Car Lenders as a direct consequence of FSR's or the Roads' negligence in the storage of the Railcars, then the Secured Car Lenders and the FSR Entities each hereby remise, release, quitclaim and forever discharge each other and their respective present and former officers, directors, shareholders, agents, affiliates, assigns, subsidiaries, successors, pledgees and principals of and from any and all manner of action or actions, cause or causes of action, suits, debts, dues, duties, sum or sums of money, accounts, covenants, contracts, agreements, promises, damages, judgments, claims and demands whatsoever in law or equity or otherwise which the Secured Car Lenders and the FSR Entities ever had, may now have or which the Secured Car Lenders and the FSR Entities can, shall or may have, for, upon or by reason of any matter, cause or thing whatsoever, including but not limited to those on, relating to or arising out of a) the Loan Documents, the Railcar Debt, the Equipment Owner Documents (including the Equipment Owner Notes) and the Equipment Owner Leases and Management Agreements, and the transactions contemplated therein, or b) any agreement or document assign-

ed to the Secured Car Lenders in connection with the transactions contemplated in the Loan Documents, or c) any and all liabilities, indebtedness and causes of action now existing or hereafter arising of whatever nature or kind relating to the Railcars, whether such liabilities or indebtedness are direct or indirect, absolute or contingent or now due or hereafter to become due or d) any and all matters related to, arising in or connected with FSR's and Leasing's chapter 11 cases.

8. Upon execution of the Order by each of the Secured Car Lenders designated as a signatory to the Order, the Order becoming the Final Order and subject to and conditioned upon the express terms and conditions hereof, the automatic stay imposed pursuant to §362 of the Code as it may apply to the Secured Car Lenders with respect to the Railcars be and hereby is vacated, and the Secured Car Lenders hereby are authorized and directed to accelerate the indebtedness due to them by FSR as evidenced by the Loan Documents and foreclose their right, title and interest in the Railcars by selling the Railcars to the highest bidder at a foreclosure sale to be conducted as set forth hereinafter, in accordance with the Loan Documents and applicable law (the Secured Car Lenders hereby are expressly precluded from retaining their collateral in satisfaction of their respective debts as provided

under Article 9, §505(b) of the Uniform Commercial Code (the "UCC")), upon the following terms and conditions:

A. The Equipment Owners and the Secured Car Lenders hereby assign to FSR all of their right, title and interest in, to and under all leases, subleases or other agreements relating to the use of the Railcars and, with respect to the Equipment Owners, any sums paid or required to be paid thereunder, and said Equipment Owners and Secured Car Lenders hereby are restrained and enjoined from interfering with such leases, subleases or agreements or the rights, benefits and duties of the parties thereto.

B. Provided that the Secured Car Lenders comply fully with the terms and conditions of the Order, the FSR Entities and the Equipment Owners hereby are restrained and enjoined from taking any action to interfere, restrain, stay or enjoin, in any manner, the Secured Car Lenders' taking possession and control of, and title to, the Railcars pursuant to the terms of the Order, the Settling Orders, the Loan Documents and all applicable laws; and the FSR Entities and the Equipment Owners hereby are restrained and enjoined from seeking an injunction to stay or enjoin the enforcement of the Final Order pursuant to the Bankruptcy Court's powers under §105 of the Code, or otherwise.

C. The FSR Entities and the Equipment Owners hereby shall cooperate with the Secured Car Lenders in their obtaining possession and control of the Railcars, and they and the Secured Car Lenders hereby shall execute any and all reasonable and necessary documents tendered to them to implement and carry out the terms of the Order.

D. FSR and the Roads hereby tender possession and/or control of the Railcars to the Secured Car Lenders, and the Secured Car

Lenders hereby accept possession and control of the Railcars on an "as is" and "where is" basis, without interfering with the operation of FSR, the Roads or any party claiming any rights by, through or under them, except that any of the Railcars which are subject to any lease, sublease or other agreement relating to the present use of the Railcars by third parties hereby shall be deemed tendered upon foreclosure as provided herein. The Secured Car Lenders hereby shall cause the markings of the FSR Entities to be removed from the Railcars upon transfer of possession as provided herein. Any and all costs relating to the Railcars including, but not limited to, taxes (including, but not limited to, ad valorem and other property or revenue taxes), insurance, storage, maintenance, movement, switching, transportation, inspection or remarking of the Railcars from and after the transfer of possession and/or control of the Railcars as provided hereby shall be paid by the Secured Car Lenders (whether by direct payment or by reimbursement to the FSR Entities for costs incurred or paid on behalf of the Secured Car Lenders as provided in the Order). To the extent the FSR Entities may have any possessory lien rights with respect to any such costs, those lien rights hereby remain in full force and effect, notwithstanding any other provision of the Order.

E. Should any Secured Car Lender store any of the Railcars at the Roads, provided the Roads have adequate storage space available, the Secured Car Lenders hereby shall pay to the Roads the sum of $2.00 per day per car for such storage from and after the turnover of possession thereof to any Secured Car Lender as hereinabove provided. The cost of storage shall be billed to the applicable Secured Car Lender by the Roads or FSR semi-monthly and shall be due and payable within five days thereafter. The Roads hereby are authorized to

retain possession of the Railcars to secure the repayment of any costs and expenses incurred or paid on behalf of the Secured Car Lenders as provided in the Order.

F. The Equipment Owners' and Secured Car Lenders claims to and any interests in the revenues paid or payable to FSR or the Roads generated by the usage of the Railcars hereby are conveyed and transferred to FSR.

G. The Secured Car Lenders hereby may proceed to foreclosure without i) obtaining appraisals of the values of the Railcars, ii) advertising the Railcars for sale, iii) assembling them, iv) making them available for inspection, v) removing them from service or vi) having the Railcars in their physical possession or control; provided, however, that the "fair market value" of the Railcars for purposes of determining the amount of a Secured Car Creditors' deficiency claim in respect of FSR's estate shall be those values established pursuant to the Court's order dated August __, 1983 nunc pro tunc June 22, 1983 (the "Valuation Order"); and provided further that the amount of the deficiency claim which is allowable as a general unsecured claim herein shall be the unpaid amount of the principal indebtedness and accrued interest owed to a Secured Car Creditor under the applicable Loan Documents as of the date of filing of the petition in the instant chapter 11 case plus any preferential payments or fraudulent transfers recovered by FSR less a) the greater of the fair market value set by the Valuation Order or foreclosure proceeds, as provided in the Order, as the case may be, b) any recoveries for lost or destroyed Railcars, c) payments received under FSR's Interim Operating Plans, d) any funds received from maintenance escrows established under the applicable Loan Documents, e) payments received from

the Equipment Owners or FSR pursuant to any settlement agreement or as debt service, agreements and f) any other sum or sums received on account of the Railcars and/or the Railcar Debt.

H. Notice of the proposed foreclosure sale hereby shall be mailed by the Secured Car Lenders to at least five railcar leasing companies and at least five railroad corporations specifying the time, place and terms of the sale of the Railcars to be conducted. The mailing of such notices by certified or registered mail not less than 21 calendar days and not more than 35 calendar days prior to the proposed sale shall constitute adequate notice of such sale. Such sale may be adjourned by announcement at the time and place appointed for such sale. The Secured Car Lenders hereby shall bear all costs and expenses associated with such foreclosure sale.

I. The Secured Car Lenders hereby are authorized to sell the Railcars to the highest bidder at such sale either in its entirety or in separate lots provided such bidder pays either all cash or a 20 percent down payment in cash with the balance being due in 10 calendar days after such sale, time being of the essence. If the highest bidder does not make the payment required to satisfy its bid and if the second highest bidder, if any, also does not make the payment required to satisfy its bid, then, in either event, the Secured Car Lenders shall have the option to declare the sale null and void and to conduct a new sale meeting the terms and requirements of sale as set forth herein, as though the earlier sale had not occurred. In all events, the Secured Car Lenders shall conclude their foreclosure sale proceedings, provided there is a Final Order, prior to the confirmation of such plan of reorganization as may be filed herein by FSR but in no event later than October 31, 1983.

J. The Secured Car Lenders hereby are authorized to bid all or any portion of the indebtedness due to them by FSR under the Loan Documents at any such sale in an amount equal to the greater of the fair market value of the Railcars established by the Valuation Order or $100.00 more than the highest bid received in excess of such fair market value from any bona fide bidder at the foreclosure sale. Any amounts so bid shall be credited against the amounts due from FSR under the Loan Documents in lieu of a cash payment with respect to any amounts bid at such sale in excess of such fair market value. In the event a deficiency as determined pursuant to subparagraph (G) above remains in any indebtedness due the Secured Car Lenders following such sale, the Secured Car Lenders hereby shall covenant and agree that they will not pursue collection or satisfaction of such claim against the Equipment Owners, or any FSR Entity except for the filing in this chapter 11 case of a general unsecured claim against FSR calculated in the manner described in subparagraph (G), and the acceptance of such payment or other consideration as may be payable on such claim as may be allowed by the further order of this Court, pursuant to such amended plan of reorganization as may be confirmed herein.

K. The Secured Car Lenders are hereby further permitted to conduct their foreclosure sale through any authorized attorney or agent and without employing an appraiser, auctioneer or other professional for such purpose. All proceeds of the foreclosure sale, except amounts in excess of the indebtedness due the Secured Car Lenders under the Loan Documents, shall be paid to the Secured Car Lenders, and any sale conducted in accordance with the Order shall operate to divest all right, title, interest, claim, demand or lien of the FSR Entities (except as provided in subparagraph (D) hereof or by agreement of any

FSR Entity and any Secured Car Lender) the Equipment Owners and any person claiming through any one or more of them, with respect to the Railcars or to any proceeds derived from the sale thereof.

L. Any foreclosure sale conducted as provided herein hereby shall act to constitute a perpetual bar to any claim by the FSR Entities, the Equipment Owners and each of them and any person claiming through any one or more of them with respect to the Railcars and to the proceeds of the sale thereof, except to the extent such proceeds exceed the indebtedness due from FSR to the Secured Car Lenders under the Loan Documents and except as to FSR's or the Roads right to repayment of any costs or expenses incurred or paid on behalf of the Secured Car Lenders as provided in the Order.

M. Provided the proposed terms of sale set forth herein are complied with by the Secured Car Lenders, any purchaser at such sale shall take full right, title and interest to the Railcars as the sole and exclusive owner thereof, free of any and all claims of the FSR Entities except to the extent the FSR Entities are entitled to retain possession of the Railcars to secure repayment of any costs and expenses incurred or paid on behalf of the Secured Car Lenders as provided in the Order, the Equipment Owners and each of them and of any person claiming through any one or more of them. Any such sale may be verified and confirmed by a duly verified certificate of sale signed by an agent of the Secured Car Lender conducting the sale who was present at such sale and such certificate, a copy of the Final Order and all other documents deemed necessary to the Secured Car Lenders may be filed with the Interstate Commerce Commission to evidence the termination of the FSR Entities' and the Equipment Owners' interests in the Railcars and the authorization

for the sale and the transfer of ownership of the Railcars to the successful bidder at such sale.

N. Any sale and foreclosure in respect of the Railcars conducted in substantial compliance with the above-described conditions shall be and hereby is deemed to be commercially reasonable and satisfies the provisions of Article 9, §504-3 of the UCC.

O. Any claim made by a Secured Car Lender for post-petition interest or legal fees and costs hereby is denied.

P. Notwithstanding anything to the contrary in the Order, nothing contained herein shall release or be deemed to release any rights, claims or interests which the FSR Entities or the Secured Car Lenders may each have against the other in respect of new transactions relating to the agreements for the lease or management of the Railcars entered into from and after May 1, 1983.

General Provisions

9. The Order shall become the Final Order when it: i) shall have been agreed to and subscribed by each of the Equipment Owners, the FSR Entities and the specific Secured Car Lenders designated at the end of the Order, and ii) shall be approved by the United States District Court for the Northern District of Illinois, Eastern Division (the "District Court") pursuant to the provisions of paragraph E(2)(a)(ii) of the District Court Order dated December 20, 1982, and iii) shall, together with the District Court Order, become final

and no longer subject to appeal or certiorari and as to which no appeal or certiorari proceedings shall then be pending.

10. Except as provided in paragraph 12 hereof, all of the provisions of the Order shall be binding on and inure to the benefit of the FSR Entities, the Equipment Owners, the Secured Car Lenders and other parties in interest and their respective successors, assigns, affiliates and pledgees. Except as provided in paragraph 12 hereof, the parties thereto also hereby agree that any present or former officers, directors, shareholders, partners, agents, affiliates, executors, administrators, assigns, subsidiaries, heirs, successors, pledgees and principals of any FSR Entity or Equipment Owner shall be a third party beneficiary of the Order including, but not limited to, the provisions of paragraphs 6 and 7 hereof, and shall be entitled to enforce the same against the parties thereto.

11. Notwithstanding anything to the contrary in the Order, the LFBR Notes shall not be deemed to be among the Equipment Owner Notes, and the Equipment Owner's obligations under the LFBR Notes shall remain in full force and effect and shall be unaffected by the Order.

12. a) Notwithstanding anything to the contrary in the Order including without limitation pursuant to paragraphs 1D, IF, 2D, 2H, 6 and 7, any and all rights, claims and

interests, which relate to transactions other than those evidenced by the Equipment Owner Documents (including the Equipment Owner Notes), and Equipment Owner Leases and Management Agreements, the Comet and Melopom Documents including the Comet and Melopom Notes, the Railcar Debt and the Loan Documents and the transactions contemplated thereby, of the Equipment Owners and the Secured Car Lenders against FSC Corp. ("FSC") and its present and former officers, directors, principals and agents (other than the present officers of FSR, including to the extent such officers act or may have acted in any of the foregoing capacities) and its shareholders, affiliates, subsidiaries, successors and pledgees (other than the FSR Entities) shall remain in full force and effect and shall be unaffected by the Order.

b) Notwithstanding anything to the contrary in the Order, including pursuant to paragraphs 1D, 1F, 2D, 2H, 6 and 7, nothing contained herein shall be or be deemed to be a remise, release, quitclaim or discharge of any rights, claims or defenses whatsoever, which the Equipment Owners now have or may in the future have against Comet or Melopom or their respective officers, directors, shareholders, agents, affiliates, assigns, subsidiaries, successors, pledgees and principals relating to, arising out of or connected to the Equipment Owner Documents, Comet and Melopom Notes, Railcar Debt,

Loan Documents or otherwise and any such rights, claims and defenses shall remain in full force and effect and shall be unaffected by the Order.

13. The foregoing provisions notwithstanding, after the Order is entered and before same becomes the Final Order, FSR and the Equipment Owners shall permit the Secured Car Lenders to serve the notice of proposed foreclosure sale of their respective Railcars, as set forth in the Paragraph 8H, provided, however, that the sale contemplated by such notice shall be adjourned from time to time, and said sale shall not take place until the Order becomes the Final Order. In all other respects, Paragraph 8 shall remain in full force and effect. FSR shall notify the Secured Car Lenders in writing when the Order has become the Final Order.

14. Within three business days following the date on which the Order becomes the Final Order, a closing shall be held (the "Closing") at a location and time acceptable to FSR and the Equipment Owners at which all monies, documents and instruments required by the Order to be delivered to FSR and the Equipment Owners and executed by FSR, the Roads and/or the Equipment Owners, as the case may be, shall be delivered and executed, as the case may be, including, but not limited to, the delivery of all Equipment Owner, Comet and Melopom Notes required by the Order to be delivered to

the Equipment Owners. Further, any additional documentation reasonably required to be executed or otherwise delivered by the appropriate parties to implement the terms of the Final Order shall be so executed and delivered; provided, however, that unless requested by the Secured Car Lenders, the Secured Car Lenders shall not be required to prepare or bear the cost of preparing any such documentation.

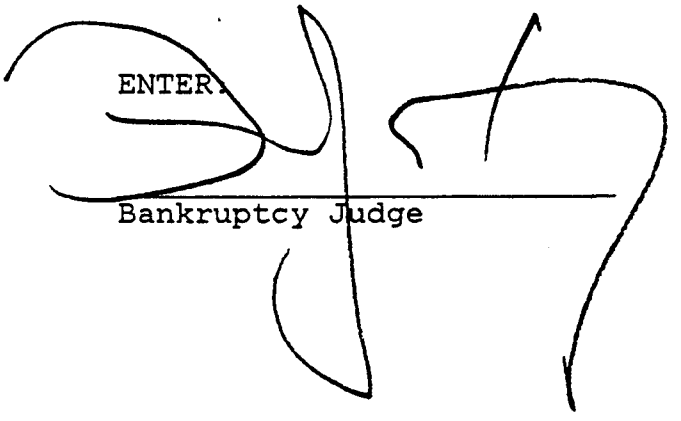
15. FSR shall be required to file the Order with the Interstate Commerce Commission ("ICC"), as and when same becomes the Final Order, or to file with the ICC such other document(s) as may be accepted by the ICC in lieu of the Order, and to deliver evidence of such filing to the Equipment Owners, provided, however, that if the ICC refuses to accept for filing the Order or such other document as could be filed in lieu of the Order, and FSR so notifies the Equipment Owners and files an appropriate document with the Court indicating its inability to comply with the above requirement as a result of the ICC's refusal, FSR shall be excused form the above-referenced filing requirement. The Equipment Owners will cooperate with FSR in making the above-referenced filing with the ICC, and nothing contained herein shall preclude the Equipment Owners from seeking to make such filing themselves. The recordation of the Order with the ICC shall and shall be deemed to terminate, cancel

and render null and void and of no further force and effect the Refco and Swig/ Weiler-Arnow Notes and the Equipment Owner Leases and Management Agreements, on file at the ICC provided, however, that the foregoing shall not affect any claim or rights which Refco has against Comet and Melopom including pursuant to the Equipment Owner Documents and the Comet and Melopom Documents.

16. Any Secured Car Lender whether or not designated as a signatory to the Order which does not execute the Order shall not be entitled to obtain the rights and benefits of the Order, including without limitation, the vacation of the automatic stay under §362 of the Code and the releases from the FSR Entities and the applicable Equipment Owners. The foregoing notwithstanding, the releases or covenants not to sue granted under the respective Lender Orders shall remain in full force and effect, and shall remain unimpaired by the Order.

17. The Order may be executed in one or more counterpart originals, all of which shall be considered one document, and the Order shall be certified to and approved by the District Court upon execution hereof by the FSR Entities and the Equipment Owners.

18. This Court shall retain jurisdiction over any and all matters arising out of, in connection with, or related to the Order.



THE FOLLOWING ENTITIES APPROVE THE ABOVE ORDER AND AGREE TO BE BOUND BY ALL THE PROVISIONS OF SAME. BOTH AS TO FORM AND SUBSTANCE:

FUNDING SYSTEMS RAILCARS, INC., debtor and debtor in possession

By _____

Subscribed to and sworn before me this 5th day of August, 1983

_____
Notary Public

UPPER MERION AND PLYMOUTH RAILROAD COMPANY

By _____

Subscribed to and sworn before me this 15th day of AUGUST, 1983

_____
Notary Public

WISCONSIN & SOUTHERN RAILROAD CO.

By _____

Subscribed to and sworn before me this 15th day of AUGUST, 1983

_____
Notary Public

FUNDING SYSTEMS RAILCARS LEASING, INC.

By _____

Subscribed to and sworn before me this 5th day of August, 1983

_____
Notary Public

My Commission Expires Jan. 27, 1985

UPPER MERION AND PLYMOUTH LEASING CO.

By Dennis T. Hurst

Subscribed to and sworn before me this 16th day of August, 1983

Carmen Montagano
Notary Public

WISCONSIN & SOUTHERN LEASING CO.

By Dennis T. Hurst

Subscribed to and sworn before me this 16th day of August, 1983

Carmen Montagano
Notary Public

FS RAILCARS, INC.

By Dennis T. Hurst

Subscribed to and sworn before me this 16th day of August, 1983

Carmen Montagano
Notary Public

THE SWIG INVESTMENT COMPANY

By _____

Subscribed to and sworn before me this _____ day of _____, 1983

_____
Notary Public

UPPER MERION AND PLYMOUTH LEASING CO.

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

WISCONSIN & SOUTHERN LEASING CO.

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

FS RAILCARS, INC.

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

THE SWIG INVESTMENT COMPANY

Subscribed to and sworn before me this 16th day of September , 1983

By Melvin M. Swig
[redacted]
General Manager

_____
Notary Public

THE W-A EQUIPMENT COMPANY

By Allen D. Weiler
Partner

Subscribed to and sworn before me this 16th day of September, 1983

Rose B. Epstein
Notary Public

ROSE B. EPSTEIN
Notary Public, State of New York
No. 41-6195660
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1984

THE WEILER-ARNOW INVESTMENT COMPANY

By Allen D. Weiler
Associate General Mgr.

Subscribed to and sworn before me this 16th day of September, 1983

Rose B. Epstein
Notary Public

ROSE B. EPSTEIN
Notary Public, State of New York
No. 41-6195660
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1984

FILM PROPERTIES, INC.

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

REFCO TRANSPORT EQUIPMENT, INC.

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

REFCO RAIL EQUIPMENT, INC.

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

THE W-A EQUIPMENT COMPANY

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

THE WEILER-ARNOW INVESTMENT COMPANY

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

FILM PROPERTIES, INC.

By_____
Its President

Subscribed to and sworn before me this 10th day of August, 1983

_____
Notary Public
COMMISSION EXPIRES
JULY 28, 1986

REFCO TRANSPORT EQUIPMENT, INC.

By_____
Its President

Subscribed to and sworn before me this 10th day of August, 1983

_____
Notary Public
COMMISSION EXPIRES
JULY 28, 1986

REFCO RAIL EQUIPMENT, INC.

By_____
Its President

Subscribed to and sworn before me this 10th day of August, 1983

_____
Notary Public
COMMISSION EXPIRES
JULY 28, 1986

REFCO EQUIPMENT, INC.

By _____
Its President

Subscribed to and sworn before me this 10th day of August, 1983

_____
Notary Public
COMMISSION EXPIRES
JULY 28, 1986

GREYCAS, INC.

By _____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

BARCLAYS AMERICAN/BUSINESS CREDIT, INC.

By _____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

THE LIFE INSURANCE COMPANY OF VIRGINIA

By _____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

REFCO EQUIPMENT, INC.

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

GREYCAS, INC.

Subscribed to and sworn before me this 17th day of August , 1983

By Fred Pink
Vice President

Gail Starkman
Notary Public
My Commission Expires Dec. 1, 1985

BARCLAYS AMERICAN/BUSINESS CREDIT, INC.

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

THE LIFE INSURANCE COMPANY OF VIRGINIA

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

REFCO EQUIPMENT, INC.

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

GREYCAS, INC.

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

BARCLAYS AMERICAN/BUSINESS CREDIT, INC.

By Laurence A Stillman

Subscribed to and sworn before me this 24th day of August, 1983

Allyn L. Violet
Notary Public
ALLYN L. VIOLET
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1985

THE LIFE INSURANCE COMPANY OF VIRGINIA

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

REFCO EQUIPMENT, INC.

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

GREYCAS, INC.

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

BARCLAYS AMERICAN/BUSINESS CREDIT, INC.

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

THE LIFE INSURANCE COMPANY OF VIRGINIA

By Daniel B. Belcore
Ass't Vice President

Subscribed to and sworn before me this 18th day of August , 1983

Gail D. Phillips
Notary Public
My Commission Expires February 6, 1984

THE PENSION INVESTMENT COMMITTEE OF CONTINENTAL FINANCIAL SERVICES COMPANY, AS FIDUCIARY FOR THE CONTINENTAL GROUP, INC. MASTER PENSION TRUST

By _____
COMMITTEE MEMBER

Subscribed to and sworn before me this 18 day of August, 1983

My Commission Expires February 6, 1984

_____
Notary Public

U.S. STEEL CREDIT CORPORATION

By _____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

THE BANK OF NEW ENGLAND, N.A.

By _____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

GENERAL ELECTRIC CREDIT CORPORATION

By _____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

By _____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

THE PENSION INVESTMENT COMMITTEE OF CONTINENTAL FINANCIAL SERVICES COMPANY, AS FIDUCIARY FOR THE CONTINENTAL GROUP, INC. MASTER PENSION TRUST

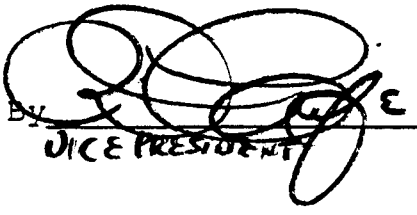
Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

U.S. STEEL CREDIT CORPORATION

Subscribed to and sworn before me this 13th day of September, 1983

By 
VICE PRESIDENT

_____
Notary Public

THE BANK OF NEW ENGLAND, N.A.

Notary Public, Pittsburgh, Allegheny County
My Commission Expires March 21, 1986

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

GENERAL ELECTRIC CREDIT CORPORATION

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

THE PENSION INVESTMENT COMMITTEE OF CONTINENTAL FINANCIAL SERVICES COMPANY, AS FIDUCIARY FOR THE CONTINENTAL GROUP, INC. MASTER PENSION TRUST

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

U.S. STEEL CREDIT CORPORATION

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

THE BANK OF NEW ENGLAND, N.A.

Subscribed to and sworn before me this 11 day of August, 1983

By David S. Wald, A.V.P.

Notary Public

GENERAL ELECTRIC CREDIT CORPORATION

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

THE PENSION INVESTMENT COMMITTEE OF CONTINENTAL FINANCIAL SERVICES COMPANY, AS FIDUCIARY FOR THE CONTINENTAL GROUP, INC. MASTER PENSION TRUST

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

U.S. STEEL CREDIT CORPORATION

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

THE BANK OF NEW ENGLAND, N.A.

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

GENERAL ELECTRIC CREDIT CORPORATION

Subscribed to and sworn before me this 2nd day of September , 1983

By HERMAN W. GERTE
Manager - Special Projects

Anna M Delahunt
Notary Public
ANNA MARIE DELAHUNT
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1985

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

THE PENSION INVESTMENT COMMITTEE OF CONTINENTAL FINANCIAL SERVICES COMPANY, AS FIDUCIARY FOR THE CONTINENTAL GROUP, INC. MASTER PENSION TRUST

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

U.S. STEEL CREDIT CORPORATION

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

THE BANK OF NEW ENGLAND, N.A.

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

GENERAL ELECTRIC CREDIT CORPORATION

Subscribed to and sworn before me this day of , 1983

By_____

_____
Notary Public

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

Subscribed to and sworn before me this 29th day of August , 1983

By Gary L. Jacobson
Gary L. Jacobson
Investment Officer

Linda J. Napier
Notary Public

NORTHERN LIFE INSURANCE COMPANY

By Gary L. Jackson
Assistant Treasurer

Subscribed to and sworn before me this 29th day of August, 1983

Linda J. Napier
Notary Public

THE NORTH ATLANTIC LIFE INSURANCE COMPANY OF AMERICA

By Gary L. Jackson
Assistant Treasurer

Subscribed to and sworn before me this 29th day of August, 1983

Linda J. Napier
Notary Public

OHIO NATIONAL LIFE INSURANCE CO.

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

REFCO MANAGEMENT SERVICES, INC.

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

TRANS UNION LEASING CORPORATION

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

NORTHERN LIFE INSURANCE COMPANY

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

NORTH ATLANTIC LIFE INSURANCE COMPANY

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

THE OHIO NATIONAL LIFE INSURANCE CO.

By_____
Joseph P. Brom, Vice President

Subscribed to and sworn before me this 8th day of August, 1983

Judith A. Kump
Notary Public
Judith A. Kump
Notary Public, State of Ohio
My Commission Expires Aug. 19, 1987

REFCO MANAGEMENT SERVICES, INC.

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

TRANS UNION LEASING CORPORATION

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

NORTHERN LIFE INSURANCE COMPANY

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

NORTH ATLANTIC LIFE INSURANCE COMPANY

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

OHIO NATIONAL LIFE INSURANCE CO.

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

REFCO MANAGEMENT SERVICES, INC.

By W. J. Cox
Its President

Subscribed to and sworn before me this 10th day of August, 1983

Kathleen T. Mulcahy
Notary Public
COMMISSION EXPIRES
JULY 28, 1986

TRANS UNION LEASING CORPORATION

By James F. Lucas
Its Vice-President

Subscribed to and sworn before me this 11th day of August, 1983

Karen D. Crowley
Notary Public

COMMISSION EXPIRES
JULY 28, 1986

GREAT LAKES CORPORATION f/k/a G.L. CORP.

By _____ VP

Subscribed to and sworn before me this 12 day of August, 1983

_____
Notary Public

DOLLAR SAVINGS BANK

By _____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

GREAT LAKES CORPORATION f/k/a G.L. CORP.

By_____

Subscribed to and sworn before me this day of , 1983

_____
Notary Public

DOLLAR SAVINGS BANK

By John B. Heagy VP

Subscribed to and sworn before me this 22nd day of September, 1983

Virginia M. London
Notary Public

VIRGINIA M. LONDON, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES FEB. 23, 1987
Member, Pennsylvania Association of Notaries

Exhibit A

Swig/Weiler-Arnow Notes:

Non-Negotiable Installment Promissory Note - Security Agreement dated February 20, 1980 between Funding Systems Railcars, Inc., Payee, and W-A Equipment Company, Payor, in the amount of $560,920, original copy 1 of which note is on file at the Interstate Commerce Commission.

Non-Negotiable Installment Promissory Note - Security Agreement dated September 23, 1980 between Funding Systems Railcars, Inc., Payee, and the Weiler-Arnow Investment Company, Payor, in the amount of $3,064,554, original copy 1 of which note is in the possession of Stoddard D. Platt, representative of Swig/Weiler-Arnow.

Non-Negotiable Installment Promissory Note - Security Agreement dated August 21, 1979 between Funding Systems Railcars, Inc., Payee and The Weiler-Arnow Investment Company, Payor, in the amount of $2,738,000, original copy 1 of which note is on file at the Interstate Commerce Commission.

Non-Negotiable Installment Promissory Note - Security Agreement dated October 9, 1979 between Funding Systems Railcars, Inc., Payee, and The Weiler-Arnow Investment Company, Payor, in the amount of $2,190,400, which note is lost, stolen, missing, destroyed, assigned, transferred or otherwise no longer in the possession of the FSR Entities.

Refco Notes:

Limited Recourse Promissory Note - Security Agreement dated April 11, 1979 between Funding Systems Railcars, Inc., Payee, and Refco Rail Equipment, Inc., Payor, in the amount of $192,500, an original copy of which note is on file at the Interstate Commerce Commission and a further original copy which is marked Conformed Copy 1, which FSR believes to be original copy 1, is in the possession of the FSR Entities.

Limited Recourse Promissory Note - Security Agreement dated December 15, 1978 between Funding Systems Railcars, Inc., Payee, and Film Properties, Inc., Payor, in the amount of $3,545,000, which note was assigned to Leon C. Baker pursuant to Secured Guaranty Agreement dated February 23, 1979.

Exhibit A (continued)

Comet Notes:

Full Recourse Installment Promissory Note dated September 19, 1979 between Funding Systems Railcars, Inc., Payee, and Comet Leasing Corp., Payor, in the amount of $3,615,000, which note was assigned to and is in the possession of The Bank of New England, N.A.

Full Recourse Installment Promissory Note dated March 28, 1980 between Funding Systems Railcars, Inc., Payee and Comet Leasing Corp., Payor, in the amount of $667,978, which note appears to be lost, stolen, or missing, destroyed, assigned, transferred or otherwise no longer in the possession of the FSR Entities.

Full Recourse Installment Promissory Note dated January , 1980 between Funding Systems Railcars, Inc., Payee, and Comet Leasing Corp., Payor, in the amount of $3,840,000, which note is lost, stolen, missing, destroyed, assigned, transferred or otherwise no longer in the possession of the FSR Entities.

Full Recourse Installment Promissory Note dated December 28, 1979 between Funding Systems Railcars, Inc., Payee, and Comet Leasing Corp., Payor, in the amount of $1,139,250, which note was assigned to and is in the possession of Indianapolis Life Insurance Company.

Full Recourse Installment Promissory Note dated February 22, 1980 between Funding Systems Railcars, Inc., Payee, and Comet Leasing Corp., Payor, in the amount of $641,000, which note was assigned to and is in the possession of Indianapolis Life Insurance Company.

Exhibit B

Non-Negotiable Installment Promissory Note - Security Agreement dated October 9, 1979 between Funding Systems Railcars, Inc., Payee, and The Weiler-Arnow Investment Company, Payor, in the amount of $2,190,400.

Exhibit C

Refco Note:

Limited Recourse Promissory Note - Security Agreement dated April 11, 1979 between Funding Systems Railcars, Inc., Payee, and Refco Rail Equipment, Inc., Payor, in the amount of $192,500, in the event that the original copy of the foregoing note which is marked conformed copy 1 is not in fact the original copy 1 of the foregoing note.

Comet Notes:

Full Recourse Installment Promissory Note dated March 28, 1980 between Funding Systems Railcars, Inc., Payee, and Comet Leasing Corp., Payor, in the amount of $667,978.

Full Recourse Installment Promissory Note dated January, 1980 between Funding Systems Railcars, Inc., Payee and Comet Leasing Corp., Payor, in the amount of $3,840,000.