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NEW NUMBER

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD
ALBERT H. GREENE
CARL C. DAVIS*
CHARLES T. KAPPLER
ROBERT S. HOPE
JOHN H. DOYLE
MILTON C. GRACE*
*NOT A MEMBER OF D.C. BAR

LAW OFFICES
ALVORD AND ALVORD
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WASHINGTON, D.C.
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OF COUNSEL
JESS LARSON

CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
393-2266

January 11, 1980

11356
RECORDATION NO. Filed 1425

JAN 11 1980 -11 45 AM

INTERSTATE COMMERCE COMMISSION

0-011A082

Date JAN 11 1980

Fee $ 50.00

ICC Washington, D. C.

Agatha L. Mergenovich, Secretary
Interstate Commerce Commission
Washington, D.C. 20434

Dear Madam:

Enclosed for recordation pursuant to the provisions of Section §11303(a) of Title 49 of the United States Code and the regulations thereunder are 1) Limited Recourse Promissory Note-Security Agreement dated January 11, 1980 and 2) Agreement of Lease dated January 11, 1980.

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

> One hundred (100) 100-ton open-top triple pocket hopper cars bearing reporting marks and numbers PVS 1000-1099 inclusive.

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

Limited Recourse Promissory Note-Security Agreement

PAYOR or DEBTOR:	Refco Transport Equipment, Inc. 39 South LaSalle Street Chicago, Illinois 60603
PAYEE or SECURED PARTY:	Comet Leasing Corp. 130-30 31st Avenue Flushing, New York 11354

Agreement of Lease

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

C. T. Kappler

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

Also enclosed is a remittance in the amount of $100 in payment of the required recordation fee.

Very truly yours,

ALVORD AND ALVORD

By Charles T. Kappler

Charles T. Kappler

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RECORDATION NO. Filed 1425

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INTERSTATE COMMERCE COMMISSION

AGREEMENT OF LEASE

AGREEMENT OF LEASE, dated January //, 1980, by and between REFCO TRANSPORT EQUIPMENT, INC. , a Delaware corporation having its principal office and place of business at 39 South LaSalle Street, Chicago, Illinois 60603 ("Lessor"), and FUNDING SYSTEMS RAILCARS, INC., a Delaware corporation having its principal office and place of business at 1000 RIDC Plaza, Pittsburgh, Pennsylvania 15238 ("Lessee").

IN CONSIDERATION of the mutual agreements hereinafter set forth and the payment of rent as herein provided for, the parties hereto, desiring legally to be bound, hereby agree as follows:

1. Definitions.

1.1 "Equipment" means the railroad boxcars described in the Schedule (as from time to time amended) annexed hereto.

1.2 "Fixed Rent" means the Rent payable by Lessee to Lessor pursuant to Section 5.1 hereof.

1.3 "Additional Rent" means the Rent payable by Lessee to Lessor pursuant to Section 5.2 hereof.

1.4 "Rent" means and includes Fixed Rent and Additional Rent.

1.5 "Lease Term" means the term of this Lease as provided for in Section 3 hereof.

1.6 "Lien" means collectively (i) the interest of the Existing Underlying User (as defined in a Purchase Agreement [the "Purchase Agreement"] of even date herewith between Lessor as buyer and Comet Leasing Corp., a Delaware corporation ("Seller"), as seller) pursuant to the Existing Underlying Agreement (as defined in the Purchase Agreement); (ii) the liens of lending institutions, covering the Equipment as described in the Schedule to the Purchase Agreement and as refinanced pursuant to Section 4.1 of the Purchase Agreement (the "Bank Lien"); and (iii) the purchase money lien covering the Equipment held by Seller (the "Seller's Lien"). Lessee has been furnished with copies and is fully acquainted with all of the provisions of the documents evidencing and securing each of the Bank Lien and the Seller's Lien. Each term defined in the Purchase Agreement shall have the same meaning herein.

2. Property Leased. Lessor, in consideration of the Rent to be paid by Lessee and the covenants and agreements of Lessee hereinafter set forth, hereby demises and lets to Lessee, when and as acquired by Lessor under the Purchase Agreement, all of the Equipment. Each item of Equipment is leased hereunder, in "AS IS" condition, "WHERE IS" and subject to the leases, liens, security interests and encumbrances that exist at the time of the execution and delivery hereof, and all that may hereafter be placed or are permitted to be placed on the Equipment by Lessee.

3. Term. The term of lease for each item of the Equipment shall be a fixed term commencing on the date of acquisition thereof by Lessor and extending through and including the expiration date set forth on Schedule A annexed hereto with regard to such item of Equipment; provided, however, that such term may be shortened pursuant to termination provisions contained elsewhere in this Lease.

4. Delivery and Redelivery. Except with respect to those items of Equipment for which an Underlying Agreement entered into in accordance with the provisions of the Purchase Agreement or this Agreement is then in effect, and in such case upon termination of such Underlying Agreement, promptly upon expiration or termination of the Lease Term for any reason, Lessee, at its expense, shall deliver or cause the

delivery of each item of Equipment to Lessor in the same operating order, repair and condition as on the date hereof (reasonable wear and tear excepted) at such places in the Continental United States and at such times as Lessor shall designate in writing.

5. Rent.

5.1 Fixed Rent. Lessee shall pay to Lessor as Fixed Rent for the Equipment during the Lease Term the amounts referred to in Schedule A attached hereto at the times provided for therein.

5.2 Additional Rent. If there shall occur an Event of Default (as hereinafter defined) (whether by reason of any failure by Lessee to perform any obligation (i) under an Underlying Agreement, (ii) directly to Lessor under this Lease [as for example, the failure to pay taxes] or (iii) otherwise [as for example a failure to pay an insurance premium]) and Lessee fails to cure such default within any applicable grace period (whether herein or otherwise) after notice as provided for herein or otherwise, Lessor shall have the right, upon notice to Lessee, to cure such default or breach, and the amount of all reasonable expenses incurred by Lessor in connection therewith, after written notice to Lessee, shall, at the election of Lessor, be added to and be paid with the installment of Fixed Rent next payable under this Lease following the giving of such notice or be immediately due and payable as Additional Rent. Interest on any amounts of Additional Rent due to be paid hereunder, but unpaid, shall accrue at the rate of 2% per month (or if that rate exceeds the maximum rate allowed by law, then such maximum rate) and shall be payable on demand.

5.3 Taxes and Fees. In addition to the Rent, Lessee shall pay or cause to be paid to the appropriate governmental authorities all franchise taxes that may be imposed upon Lessor in any state where the Equipment is located and all sales, use, property, ad valorem or other taxes, imposts, levies, duties, assessments, licenses, tolls, inspection or other fees, however designated, paid, payable or required to be collected by Lessor, Lessee, any end user of the Equipment or any other person, which are levied or based upon the rental provided for in this Lease or derived from any Underlying

Agreement, upon this Lease or any Underlying Agreement, upon the Equipment or the use, delivery, return, lease, operation, control or value thereof or upon or with respect to any substitution as hereinafter provided for, including without limitation, state and local privilege and excise taxes based on gross revenues, any penalties or interest in connection therewith (other than penalties or interest arising out of acts or failures to act of Lessor) or amounts in lieu thereof, paid or payable by Lessor, Lessee, any Underlying User or any other person, with respect to the foregoing, but excluding taxes (including gross receipts taxes in the nature of an income tax) based on or measured by Lessor's net income; provided, however, that Lessee may in good faith (at its expense) contest in any reasonable manner the imposition of any such taxes, licenses, tolls, inspection or other fees, but only to the extent that such contest does not adversely affect, or threaten to affect, the title of Lessor in the Equipment or impose any criminal or civil liability on Lessor. Lessee agrees timely to file or cause to be timely filed, on behalf of Lessor, or otherwise, all such required tax and other returns and reports concerning the Equipment, any Underlying Agreements and the taxes required to be paid by Lessee hereunder with all appropriate governmental agencies and to send Lessor copies of the same upon request. If the timely filing of any such return or report is dependent upon the action of Lessor, Lessee shall only be obligated under the immediately preceding sentence if Lessor shall timely provide Lessee with the information necessary for such filing.

5.4 Manner of Payment. All Fixed Rent, Additional Rent and other sums payable hereunder are expressed and shall be payable to Lessor in lawful money of the United States at its address set forth at the head of this Lease, or at such other place as Lessor shall designate in writing.

5.5 Net Lease. This lease is a net lease and it is specifically agreed that, as between Lessor and Lessee, Lessee shall be responsible for all costs and expenses of any nature whatsoever arising out of or related to or in connection with this Lease or the Equipment.

6. Maintenance and Risk of Loss.

6.1 Maintenance. During the Lease Term, Lessee, at its sole cost and expense, shall keep or cause to be kept each item of Equipment in good working order and condition and suitable for use in railroad interchange, make all necessary adjustments, repairs and replacements thereto and pay all costs, expenses, fees and charges incurred in connection therewith and with the use, possession and operation thereof, including, without limitation, repairs, maintenance, storage and servicing.

6.2 Risk of Loss. Until the Equipment is redelivered to Lessor, as provided for in this Lease, Lessee relieves Lessor of responsibility for (and Lessee shall be solely responsible for) all risk of physical damage to, or loss or destruction of, the Equipment, howsoever caused unless caused by any wilful or negligent act of Lessor. During the Lease Term, Lessee shall, at its own cost and expense, obtain and maintain public liability insurance with regard to the Equipment and its use and operation with such coverage and in such amounts as are customarily carried by companies owning property of a character similar to the Equipment. In addition, during the Lease Term, Lessee shall, at its own cost and expense, keep each item of Equipment insured at the full insurable value thereof, against loss by fire, windstorm and explosion and with extended coverage against such other risks as are customarily insured against by companies owning property of a character similar to the Equipment. Upon the request of the Lessor, all insurance shall provide that copies of all notices to Lessee shall be sent to Lessor and that such insurance shall not be cancelled without giving thirty (30) days prior written notice to Lessor. Upon the request of the Lessor, Lessee shall furnish current certificates of such insurance to Lessor throughout the term. If any item of Equipment is rendered unusable as a result of any physical damage to, or destruction of, the Equipment, Lessee shall give to Lessor immediate notice thereof, but this Lease shall continue in full force and effect without any abatement of rental. Lessee shall determine, within fifteen (15) days after the date of occurrence of such damage or destruction, whether such item of Equipment can be repaired. In the event Lessee determines that the item of Equipment cannot be repaired, Lessee at its option and expense may promptly replace such items of Equipment in a manner that meets the requirements of Section 13 hereof (and convey title to such replacement equipment to Lessor free and clear of all liens and encumbrances other than the Lien) and this Lease shall continue in full force and effect as though such damage or destruction had not occurred. In the event Lessee determines that such item of

Equipment can be repaired, Lessee shall cause such item of Equipment to be promptly repaired. Provided Lessee complies with its obligations under this Section, all proceeds of insurance received by Lessor or Lessee under the policies referred to above shall be paid to or retained by Lessee; provided, however, that in the event that insurance proceeds retained by Lessee exceed the cost of replacement equipment such difference shall promptly be paid to Lessor; provided further, that any such excess so paid to Lessor shall be credited as full or partial payment (as the case may be) of any amounts which Lessee may be required to pay under subdivision (d)(ii) of the first paragraph of Section 13 hereof. Lessor hereby agrees to execute and deliver any instruments or documents requested in order to accomplish the foregoing.

In the event that Lessee determines as aforesaid that an item of Equipment cannot be repaired and Lessee does not opt to replace such item of Equipment as heretofore and in Section 13 provided, Lessee shall promptly purchase such item of Equipment from Lessor by paying to Lessor an amount equal to sum of (x) the difference (the "Difference") between (1) the fair market value or replacement value (whichever is greater) of such item of Equipment and (2) the portion of the Bank Lien applicable to such item (provided, however, that the amount payable under this subdivision (x) shall not be less than $13,275 during the first three years of the Lease Term and shall not at any time exceed $13,275 plus one half of the Difference in excess of $13,275) plus (y) that portion of the principal amount and accrued interest applicable to such item due and owing to Lender at the time of payment under the Limited Recourse Note evidencing the Financing Lien. In lieu of paying the entire amount referred to in the preceding sentence to Lessor, Lessee may pay directly to Lender, in satisfaction of such portion of the Limited Recourse Note, a portion of such amount which equals the amount of principal and interest due and owing to Lender at the time of payment under such Limited Recourse Note as referred to in subdivision (y) above and Lessee shall simultaneously deliver to Lessor appropriate proof of such satisfaction of such portion of the Limited Recourse Note. Upon such payment to Lessor (and Lender, if applicable), title to such item of Equipment shall be transferred to Lessee by Lessor free and clear of all liens, claims and encumbrances (other than the Bank Lien and any other liens, claims and encumbrances created by, through or under Lessee) and this Lease shall be thereupon terminated and of no further force and effect applicable to such item.

In the event that, during the term of this Lease, the use of any item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for an indefinite period or for a stated period which does not exceed the term of this Lease, the Lessee's obligation to pay rent shall continue for the duration of such requisitioning or taking. So long as no Event of Default shall have occurred and be continuing hereunder, the Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession; provided, however, that Lessor shall be entitled to any such sums which relate to any period after the expiration of the term of this Lease.

7. Lessee to Hold Harmless. Lessee shall indemnify Lessor from and protect, defend and hold it harmless against any loss, cost, damage or expense (including, without limitation, reasonable attorneys' fees) by reason of any claim which is in any manner connected with the delivery, warehousing, transportation, use, condition, operation, possession, control or removal of Equipment during the Lease Term, howsoever arising and whether or not alleged to be attributed to any default or defect in the Equipment; provided, however, that Lessee shall be subrogated to all of Lessor's rights against third parties, including, but not limited to, the vendors, manufacturers or transporters of the Equipment with respect to any such claims. Lessor shall give Lessee notice of any claim or liability in respect of which indemnification is provided for hereunder promptly after Lessor learns thereof, and Lessee shall be entitled to participate in the defense thereof. Notwithstanding the foregoing, Lessee shall not be required to indemnify Lessor for any loss, cost, damage or expense (including reasonable attorneys' fees) arising out of or as a result of Lessor's fault or negligence.

8. Protection of Title. Lessee agrees that title to all Equipment shall remain in Lessor and that Lessee will at all times (except as otherwise specifically permitted hereunder or in connection with the Lien) (a) protect and defend, at its own cost, the title and interest of Lessor in and to the Equipment from and against any and all claims, liens, charges, encumbrances and legal processes of Lessee's creditors or other persons having claims against Lessee or

the Equipment (except claims, liens, charges, encumbrances and legal processes of Lessor's creditors or other persons having claims against Lessor and not also against the Lessee), including, without limitation, persons to whom Lessee may sublease the Equipment and their creditors, (b) keep each item of Equipment free and clear of any such claims, liens, charges, encumbrances and processes (except as permitted under the Documents) and (c) confirm and warrant the title of Lessor to the Equipment and the interest of Lessor by such instruments of further assurance as it shall reasonably be requested to execute. Lessee further agrees that by the execution of this Lease it does not have or obtain, and by payment and performance hereunder it does not and will not have or obtain, any title to the Equipment, nor any property right or interest, legal or equitable, therein, except as expressly set forth in this Lease.

9. Use of the Equipment. Lessee shall use its best efforts to cause each item of the Equipment at all times during the Lease Term to be used and operated under and in compliance with all applicable laws, orders, ordinances and regulations of the jurisdictions in which such item may be operated, including the Interchange Rules of the Association of American Railroads and the rules and regulations of the Interstate Commerce Commission; provided, however, that Lessee may in good faith contest (at its expense) in any reasonable manner the application of any such rule, regulation or order, but only to the extent that such contest or non-compliance during the pendency thereof does not adversely affect or threaten to affect the title of Lessor to any item of Equipment or impose any civil or criminal liability upon Lessor.

10. Right of Examination; Reports. Lessee agrees that it will at all times during the Lease Term, upon receipt of reasonable notice from Lessor, permit Lessor or its agents and representatives to make such examination during normal business hours of the Equipment and Lessee's books relating thereto as Lessor may reasonably request; provided, however, that any such right of examination shall be made in conformity with the provisions of any sublease permitted hereunder. Lessee shall at all times keep Lessor advised of any default by an Underlying User, any loss or damage to the Equipment or any other material matters concerning the Equipment of which Lessee, from time to time, shall have knowledge. Lessee shall furnish Lessor with such information (and copies of relevant documents) concerning the

Equipment, Underlying Agreements, the Lien, Fixed Rent and Additional Rent, as Lessor may, from time to time, reasonably request.

11. Sublease of Equipment. In addition to the Existing Underlying Agreement and any subleases or other uses of the Equipment thereunder, Lessee shall have the right during the Lease Term to sublease the Equipment to, or otherwise permit the control and use of the Equipment by, any party; provided, however, that in each such case Lessee shall obtain the prior written consent of Lessor which consent shall not be unreasonably withheld.

Except as provided below, Lessee shall fully and timely perform and discharge its obligations under all Underlying Agreements, and Lessor shall not (i) have any obligations or liabilities under any Underlying Agreement or (ii) be required or obligated in any manner to pay, perform or fulfill any obligations of Lessee under any Underlying Agreement.

Lessee shall forward to Lessor full, complete and correct copies of all documents received by it relating to or creating subleases or other agreements or arrangements relating to the use and/or control of the Equipment, within 15 days after the making thereof.

If, upon the expiration or termination of this Lease (including termination pursuant to Section 16.2 hereof), any Underlying Agreement is then in effect, the same shall not be cancelled or terminated and all of the rights of Lessee under such Underlying Agreement, including, without limitation, the right to all payments due or to become due to Lessee under such Underlying Agreement (except for rights, duties and obligations accrued or incurred prior to the date of the expiration or termination of this Lease, including, without limitation, the right to receive sums or the obligation to pay sums accrued prior thereto, and the duty to pay or defend any claim arising from such Underlying Agreement prior thereto), and all guarantees of the obligations of the pertinent Underlying Users shall be, ipso facto, automatically assigned to Lessor; provided, however, that (a) Lessor shall not bear or assume any obligations other than the obligation to lease the Equipment to the Underlying Users and (b) such assignment shall be subject and subordinate to the interest of the holder of the Liens (as defined in the Purchase Agreement). In addition, Lessee shall pay to Lessor, at the time of the expiration or termination of this Lease, an amount equal to all advance rent, if any, paid by Underlying Users

on account of all periods after the expiration or termination of this Lease, and, in the event Lessee thereafter receives any rent or other sums on account of Underlying Agreements for periods subsequent to the expiration or termination of this Lease, Lessee shall promptly pay such sums to Lessor. Promptly upon the request of Lessee, Lessor shall execute any and all documents requested by Lessee to perfect the interest of the holders of the Liens in such Underlying Agreements and subordinate its interests therein. Lessee shall fully and timely perform and discharge its obligations under any Underlying Agreements after the Lease Term (i) to the extent such obligations are not then assumed by Lessor hereunder and (ii) so long as Lessor performs its obligations hereunder.

12. Location of Equipment. Except as otherwise permitted under any Underlying Agreement, the Equipment shall be operated and/or stored at all times during the term hereof within the Continental United States.

13. Replacement of Equipment. In the event Lessee is required to replace any item of Equipment pursuant to Section 6.2 of this Lease (as in the case of destruction of the Equipment), Lessee shall replace such item with any item or items of like kind equipment (such as another similar railroad car) reasonably satisfactory to Lessor (the "Replacement Equipment"); provided, however, that (a) Lessee transfers to Lessor (by bill of sale or other documents necessary to affect such transfer) such Replacement Equipment, free and clear of all security interests, liens, leases, claims, charges and encumbrances, except as expressly permitted below, (b) such Replacement Equipment has a fair market value at the time of such replacement equal to, or greater than, the fair market value of the Equipment replaced (the "Replaced Equipment") immediately prior to the damage or destruction requiring its replacement, (c) such Replacement Equipment has a useful life for tax depreciation purposes equal to (or less than) the then remaining useful life for tax depreciation purposes of the Replaced Equipment, and (d) either (i) such Replacement Equipment is new equipment eligible for an investment tax credit under Section 38 (and related sections) of the Internal Revenue Code of 1954, as amended, in an amount at least equal to the amount of any investment tax credit that may be recaptured by Lessor with respect to the Replaced Equipment, or (ii) simultaneously with such replacement, Lessee pays to Lessor an amount equal to two hundred percent (200%) of the difference between any investment tax credit that may be recaptured by Lessor with

respect to the Replaced Equipment and the investment tax credit for which the Replaced Equipment is eligible. Any item or items of Replacement Equipment may be subject to the security interests of the holders of the Liens.

Lessee shall give Lessor at least (10) days prior notice of the replacement of Equipment hereunder, which notice shall include (x) a description and a statement of the fair market value of the item or items of Replaced Equipment and the proposed Replacement Equipment, (y) copies of any and all leases, security agreements and other documents relating to security interests, liens, leases or encumbrances imposed or to be imposed, as permitted hereunder, on the item or items of proposed Replacement Equipment and (z) a statement of the amounts secured by security interests, liens and encumbrances on the item or items to be replaced and on the proposed Replacement Equipment.

Effective upon such replacement, all incidents of Lessee's interest as Lessee hereunder in the Replaced Equipment ipso facto shall cease and terminate automatically and the Replacement Equipment shall become Equipment leased hereunder instead of the Replaced Equipment. In addition, effective upon such replacement, all of Lessor's right, title and interest in and to the Replaced Equipment shall be automatically assigned and shall pass to Lessee and Lessor shall have no further interest therein.

14. Lessee's Covenants Satisfied by Compliance. Lessee's obligations under this Lease (other than for payment of Rent) shall be deemed satisfied by compliance with the requirements hereof by any Underlying User under an Underlying Agreement presently or hereafter in force as permitted hereby.

15. Additions and Alterations. During the term of this Lease, Lessee may make alterations or add attachments to the Equipment provided none thereof decrease the value of the Equipment, in any way damage or injure the Equipment, interfere with the normal or satisfactory operation or maintenance of the Equipment or create a safety hazard. At or following the expiration of the term hereof, Lessee shall, at its expense, remove such additions or alterations promptly on demand of Lessor, and, forthwith upon such removal, restore the Equipment to its original condition, less ordinary wear and tear.

16. Events of Default.

16.1 "Event of Default" means any of the following events:

(a) If Lessee shall default in the payment of any installment of Rent or other sums payable by Lessee to Lessor or its assigns hereunder as and when such Rent, or other sums become due and payable, and such default shall continue for a period of ten (10) days after notice; or

(b) If Lessee shall (i) default in the payment, or, in a material way, in the performance or observance, when due, of its obligations under the Liens or of any other covenant, agreement or obligation of Lessee to Lessor hereunder or otherwise relating in any manner to the purchase or leasing of the Equipment including, without limitation, obligations of Lessee (as Seller) under the Purchase Agreement, or (ii) have made any material misrepresentation or materially breached any warranty, covenant or agreement material to Lessor hereunder or under the Purchase Agreement and such default, misrepresentation or breach of warranty shall continue for a period of thirty (30) days after notice; or

(c) If Lessee shall:

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

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

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

(iv) consent to the appointment of a receiver for itself or for the whole or any substantial part of its property;

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

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

(d) If a court of competent jurisdiction shall enter an order, judgment or decree appointing, with or without the consent of Lessee, a receiver for Lessee or the whole or any substantial part of its property, or approving a petition filed against it seeking reorganization or arrangement of Lessee under any bankruptcy or insolvency laws or any other state or federal law for the relief of debtors, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof; or

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

16.2 Remedies. If an Event of Default occurs and is continuing, Lessor, at its option, may terminate this Lease and the term hereof by giving Lessee notice of its election and intention to do so. Upon Lessor's election to terminate this Lease as set forth above, then upon the expiration of the time fixed in such notice (i) this Lease and the term hereof shall wholly cease and expire in the same manner and with the same force and effect as if the date fixed by such notice were the expiration of the entire Lease Term herein granted, (ii) subject to the Liens and any Underlying Agreements, Lessor may take possession of any or all of the Equipment wherever situated, and, for such purposes, enter upon any premises without any liability for so doing and (iii) subject to the Underlying Agreements and the Liens, Lessor may sell, dispose of, hold, use or lease any or all of the Equipment as Lessor in its sole discretion shall determine, without any duty to account to Lessee, except as expressly provided herein or in the Limited Recourse Notes. Lessee shall in all events, whether or not this Lease is terminated as foresaid, be and remain liable (a) for damages as provided by law, (b) for Lessee's obligations which extend beyond the Lease Term or such termination and (c) for costs and expenses incurred by Lessor arising from such Event of Default or termination, including, without limitation, reasonable attorneys' fees, payments to Senior Lienholders and costs and expenses of operating, leasing and maintaining the Equipment in excess of the proceeds derived from Underlying Agreements.

17. Indemnification.

17.1 Lessee will indemnify Lessor and protect, defend and hold it harmless from and against any and all loss, cost, damage, injury or expense, including, without limitation, reasonable attorneys' fees, wheresoever and howsoever arising which Lessor or its subsidiaries or shareholders, or any of its or their directors, officers, agents, employees, stockholders or partners, may incur by reason of any breach by Lessee of any of the representations by, or obligations of, Lessee contained in this Lease or in any way relating to or arising out of this Lease, the Equipment, claims of holders of the Liens, Underlying Users; provided, however, that if Lessor shall fail to notify Lessee as aforesaid within a reasonable time after Lessor shall have actual notice of any such claim or liability with the result that Lessee is denied all reasonable judicial process to defend against the same, then Lessee shall be relieved of any liability to indemnify Lessor under this Section 17.1. Notwithstanding the foregoing, Lessee shall not be required to indemnify Lessor for any loss, cost, damage or expense (including reasonable attorneys' fees) arising out of or as a result of Lessor's fault or negligence.

17.2 In the event any claim for indemnification hereunder arises on account of a claim or action made or instituted by a third person against Lessor, Lessor shall notify Lessee promptly after the receipt of notice by Lessor that such claim was made or that such action was commenced. Lessee shall be entitled to participate in or, at its option assume the defense of any such claim or action by counsel of its own choosing, and if it assumes such defense, to control and settle the same. If Lessee shall only participate in the defense of any such claim or action, the same shall not be settled without its prior written consent (which consent shall not be unreasonably withheld) unless Lessee shall deny Lessor's right to indemnification.

18. No Transfer By Lessee. Lessee shall not, without first obtaining the written consent of Lessor, which consent shall not be unreasonably withheld or delayed, sell, assign or transfer any or all of its rights or interests in, to or under this Lease or the Equipment, except under a sublease permitted by the provisions of Section 11 hereof or in accordance with a refinancing permitted under Section 4 of the Purchase Agreement, but in any event Lessee named herein shall remain liable for the full performance of all of the obligations of Lessee under this Lease.

19. Disclaimer of Warranties. THE EQUIPMENT IS BEING LEASED HEREUNDER "AS IS." ACCORDINGLY, EXCEPT AS MAY BE SPECIFICALLY SET FORTH HEREIN, LESSOR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE OR WITH RESPECT TO PATENT INFRINGEMENT OR THE LIKE. LESSOR SHALL IN NO EVENT, BE LIABLE TO LESSEE FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES CAUSED, DIRECTLY OR INDIRECTLY, BY THE EQUIPMENT OR ANY INADEQUACY THEREOF FOR ANY PURPOSE, OR ANY DEFICIENCY OR DEFECT THEREIN, OR THE USE OR MAINTENANCE THEREOF, OR ANY REPAIRS, SERVICING OR ADJUSTMENTS THERETO.

20. Remedies. No course of dealing between Lessee and Lessor nor any delay or omission of Lessor or Lessee to exercise any right or remedy granted under this Lease shall operate as a waiver of any rights of such party, and every right and remedy of such party provided for herein shall be cumulative and concurrent, unless otherwise expressly provided herein, and shall be in addition to every other right or remedy provided for herein or now or hereafter existing in law or in equity or by statute or otherwise. The exercise or attempted exercise by such party of any such rights or remedies shall not preclude the simultaneous or later exercise by such party of any or all other such rights or remedies. Such rights or remedies may be exercised from time to time and as often as shall be deemed expedient.

21. Successors and Assigns. Subject to the provisions of Section 18, all covenants and agreements contained in this Lease shall bind the successors, assigns and transferees of Lessee and Lessor and shall inure to the benefit of the successors, assigns, and transferees of Lessee, to the extent assignment is permitted hereunder, and Lessor, in the same manner and to the same extent and with like effect as if such successors and assigns were named in such covenants and agreements and were made parties to this Lease. Except as provided for in this Section 21, nothing contained in this Lease is intended to create any rights in any third persons, including, without limitation, any Underlying Users or any persons claiming through or under any Underlying Users.

22. Notices. Any notice, request or other communication to either party hereunder shall be given in writing and shall be deemed given on the earlier of the date the same is (i) personally delivered with receipt acknowledged or (ii) mailed by certified or registered mail, return receipt requested, postage prepaid, and addressed to the party for which intended at its address set forth at the head of this Lease together with a copy thereof to such single additional addressee as a party may request by notice to the other. The person and the place to which notices or copies of notices are to be given to either party may be changed from time to time by written notice to the other party.

23. Quiet Enjoyment. Except as to acts or things which Lessor is permitted to do pursuant to the other provisions of this Lease, Lessor agrees not to do any act or thing which would cause a breach or default by Lessee under the Liens or any Underlying Agreement entered into in accordance with the terms of this Lease. So long as this Lease shall not have expired or been terminated, Lessee shall have the right of quiet enjoyment, use and possession of the Equipment in accordance with the terms hereof (subject to the Lien and the Existing Underlying Agreement); provided, however, that nothing herein shall be deemed to diminish or modify Lessor's rights upon the occurrence of an Event of Default. Lessor agrees that so long as any Underlying Agreement or other sublease permitted hereunder is not in default, Lessor shall not disturb the right of any lessee under any such Underlying Agreement or other sublease of the quiet enjoyment, use and possession of the Equipment in accordance with the terms of any such Underlying Agreement or other sublease.

24. Reporting. For income tax purposes Lessee agrees to account for the transactions hereunder as a true lease and will take no position on its tax returns or any other document relating thereto inconsistent therewith.

25. Governing Law. This Agreement shall be governed by and interpreted under the laws of the Commonwealth of Pennsylvania applicable to contracts made and to be performed therein without giving effect to the principles of conflict of laws thereof; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. §11303 (formerly Section 20c of the Interstate Commerce Act) and such additional rights arising out of the filing, recording or deposit hereof or of any financing statement or other document relating hereto, if any, as shall be conferred by the laws of the jurisdictions in which this Agreement or such financing statement or other document shall be filed, recorded or deposited.

26. Covenants of Lessor. Lessor represents, warrants and covenants to the Lessee, that:

(a) Lessor is a corporation duly organized and existing in good standing under the laws of the state of its incorporation;

(b) Lessor has all power and authority to own its properties and carry on its business in the places where such properties are located and such business is conducted;

(c) Lessor has the power and authority to enter into this Lease and to carry out the transactions contemplated thereunder;

(d) the execution and delivery of this Lease and the performance of Lessor's obligations hereunder have been duly authorized by all necessary corporate action of Lessor and do not violate or conflict with any provision of such Lessor's Certificate of Incorporation, or By-Laws, any law, or any order, writ, injunction, decree, rule or regulation of any court, administrative agency or any other governmental authority, or any agreement to which such Lessor is a party or by which Lessor is bound;

(e) Lessor is not subject to any restriction or agreement which (with or without the giving of notice or passage of time or both) prohibits or would be violated by, and Lessor has obtained all of the consents of third persons necessary for, the consummation of the transactions contemplated hereby and thereby, and this Lease constitutes the valid and binding obligation of such Lessor enforceable in accordance with its terms;

(f) there is no action, suit or proceeding pending against Lessor before or by any court, administrative agency or other governmental authority which brings into question the validity of, or might in any way impair, the execution and delivery by Lessor of this Lease and the performance by Lessor of its obligations hereunder and thereunder;

(g) Lessor will keep each item of the Equipment free and clear of all claims, liens, security interests or other encumbrances senior to the Lien which are not created by or arising from acts or omissions of Lessee, any Underlying Lessee, or any holder of the Lien.

27. Covenants of Lessee. Lessee represents, warrants and covenants to the Lessor, that:

(a) Lessee is a corporation duly organized and existing in good standing under the laws of the state of its incorporation;

(b) Lessee has all corporate power and authority to own its properties and carry on its business in the places where such properties are located and such business is conducted;

(c) Lessee has the power and authority to enter into this Lease and to carry out the transactions contemplated hereunder;

(d) the execution and delivery of this Lease and the performance of Lessee's obligations hereunder have been duly authorized by all necessary corporate action of Lessee and do not violate or conflict with any provision of Lessee's Certificate of Incorporation or By-Laws, any law, or any order, writ, injunction, decree, rule or regulation of any court, administrative agency or any other governmental authority, or any agreement to which such Lessee is a party or by which Lessee is bound;

(e) Lessee is not subject to any restriction or agreement which (with or without the giving of notice or passage of time or both) prohibits or would be violated by, and has obtained all of the consents of third persons necessary for, the consummation of the transactions contemplated hereby and thereby, and this Lease constitutes the valid and binding obligation of such Lessee enforceable in accordance with its terms;

(f) Lessee is not a party to any indenture, mortgage, deed of trust or other written agreement (to which Lessor is not also a party) of any nature whatsoever, which by its terms causes any security interest to attach or hereafter to attach to the Equipment (other than the Lien), or in any manner affects or will affect adversely the Lien; there is no action, suit or proceeding pending against Lessee before or by any court, administrative agency or other governmental authority which bring into question the validity of, or might in any way impair, the execution and delivery by Lessee of this Lease and the performance by Lessee of its obligations hereunder;

28. Further Assurances. Each party hereto shall execute and deliver all such further instruments and documents as may reasonably be requested by the other party in order to fully carry out the intent and accomplish the purposes of this Lease and the transactions referred to herein.

29. Captions. Captions used herein are inserted for reference purposes only and shall not affect the interpretation or construction of this Lease.

30. Execution. This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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

32. Amendments. This Lease may be amended or varied only by a document, in writing, of even or subsequent date hereto, executed by Lessor and Lessee.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the day and year first above written.

LESSOR: REFCO TRANSPORT EQUIPMENT, INC.

By: _____ V. P.

LESSEE: FUNDING SYSTEMS RAILCARS, INC.

By: _____

28. Further Assurances. Each party hereto shall execute and deliver all such further instruments and documents as may reasonably be requested by the other party in order to fully carry out the intent and accomplish the purposes of this Lease and the transactions referred to herein.

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IN WITNESS WHEREOF, the parties hereto have executed this Lease on the day and year first above written.

LESSOR: REFCO TRANSPORT EQUIPMENT, INC.

By: _____

LESSEE: FUNDING SYSTEMS RAILCARS, INC.

By: _____

Vice President + Treasurer

STATE OF Illinois)
: ss.:
COUNTY OF Cook)

On this 9th day of January, 1980, before me personally appeared Allen Palles to me personally known, who being by me duly sworn, did depose and say that he is the Vice President of Refco Transport Equipment, Inc., the corporation which executed the foregoing instrument, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Lynette Kelly
Notary Public

MY COMMISSION EXPIRES AUGUST 14, 1983

(SEAL)

STATE OF PENNSYLVANIA)
: ss.:
COUNTY OF ALLEGHENY)

On this 9TH day of January, 1980, before me personally appeared HAROLD L. LEHMAN to me personally known, who being by me duly sworn, did depose and say that he is the V. PRES. & TREASURER of FUNDING SYSTEMS RAILCARS, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Dolores M. LaQuatra
Notary Public
DOLORES M. LaQUATRA, Notary Public
O'HARA TWP., ALLEGHENY COUNTY
MY COMMISSION EXPIRES NOV. 22, 1982
Member, Pennsylvania Association of Notaries

(SEAL)

SCHEDULE A

The expiration date of the Lease Term with regard to the 100 items of Equipment referred to on the attached Schedule shall be July 31, 1995. The Fixed Rent with regard to such items shall be as follows:

(1) Monthly installments in the amount of:

(a) Rent in the amount of $16,134.79 shall be charged for the period prior to February 1, 1980.

(b) $23,049.77 for each of the next eleven (11) months (February, 1980 through December, 1980) during the term hereof;

(c) $35,733.34 for each of the next twelve (12) months (January, 1981 through December, 1981) during the term hereof;

(d) $37,816.67 for each of the next twelve (12) months (January, 1982 through December, 1982) during the term hereof;

(e) $38,441.67 for each of the next twelve (12) months (January, 1983 through December, 1983) during the term hereof; and

(f) $60,695.74 for each of the remaining 139 months (January, 1984 through July, 1995) during the term hereof;

(2) Additional amounts determined as follows:

Lessor shall also be entitled, out of (and solely out of) "Net Proceeds" (as hereinafter defined) generated and received by Lessee, and/or by the Existing Underlying Lessee under the Existing Underlying Lease, with regard to the Equipment during the last 93 months (i.e., second half) of the Lease Term, to the following amounts:

(a) 50% of such Net Proceeds so generated and received during such last 93 months (i.e., second half) of the Lease Term; and

(b) an amount equal to 50% of the Net Proceeds so generated and received during the first 93 months (i.e., first half) of the Lease Term.

In no event shall Lessee be required to pay to Lessor any amounts hereunder in excess of the Net Proceeds generated and received by Lessee and/or by the Existing Underlying Lessee under the Existing Underlying Lease, during the last 93 months of the Lease Term, and in no event shall the sum of the Net Proceeds theretofore paid and required at any particular time to be paid to Lessor hereunder exceed the sum of (i) the cumulative Net Proceeds to which Lessor is entitled under subsection (2)(a) above for the months of the second half of the Lease Term which have expired as of such time, and (ii) the cumulative Net Proceeds to which Lessor is entitled under subsection (2)(b) above for the corresponding months of the first half of the Lease Term. Such amounts required to be paid to Lessor shall be payable when and as received by Lessee and/or the Existing Underlying Lessee. To the extent that Net Proceeds to which Lessor is entitled hereunder are received by the Existing Underlying Lessee under the Existing Underlying Lease and not by Lessee, Lessee shall either (at its option) pay to Lessor an amount equal to such Net Proceeds when due or cause such Net Proceeds to be paid to Lessor by the Existing Underlying Lessee when due.

For purposes hereof, "Net Proceeds" shall mean

(A) any amounts generated and received by the Existing Underlying Lessee under the Existing Underlying Agreement with regard to the Equipment after deduction of (i) all operating costs, maintenance fees, management fees and other expenses and fees relating to the Equipment and (ii) all amounts required to be paid to the holders of the Lien; less

(B) a sum equal to (i) 10% of the net amount referred to under subsection (A) above plus (ii) $1,000 per month for each month as to which such subsection (A) amount relates.

(3) All monthly rent installments required to be paid under subsection (1) above shall be payable on the last day of each month.

SCHEDULE

The Equipment consists of one hundred (100) railroad hopper cars bearing identifying numbers as follows:

PVS 1000 through 1099, inclusive.