

RECORDATION NO. 30017-C FILED

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SURFACE TRANSPORTATION BOARD

October 10, 2013

Via Federal Express Overnight

Chief, Section of Administration
 Surface Transportation Board
 395 E Street, SW
 Washington, DC 20423-0001

Caroleene Hardee

chardee@coxsmith.com

210.554.5294

Re: Recordation of Assignment of Leases and Rents and Other Income

Dear Chief:

I have enclosed an original and one copy/counterpart of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is an assignment of a lease, a primary document, dated effective September 18, 2013.

The names and addresses of the parties to the documents are as follows:

Borrower:

Rio Grande Chemical, Ltd., a Texas limited partnership
 901 Lindberg
 McAllen, Texas 78502

Lender:

Compass Bank, an Alabama state banking corporation
 3900 N. 10th Street
 McAllen, Texas 78501



A description of the equipment covered by the document follows:

1. Fifty (50) Covered Hopper Railcars, car mark and numbers RGCX 1592 to RGCX 1641, as more particularly described in Railcar Net Leasing Agreement, dated February 25, 1997 with Exhibit E of Rider No. 7 dated June 13, 2013, by and between Rio Grande Chemical, Ltd., a Texas limited partnership (formerly known as Rio Grande Chemical Sales Company) (Lessor) and Essroc Cement Corp., a Pennsylvania corporation (Lessee).

A fee of Forty Four and No/100 Dollars (\$44.00) is enclosed. Please return the original and any extra, file-stamped copies not needed by the Commission for recordation to Caroleene Hardee at 112 East Pecan Street, Suite 1800, San Antonio, Texas 78205-1521.

COX SMITH MATTHEWS INCORPORATED

112 East Pecan Street | Suite 1800

San Antonio, TX 78205

210 554 5500 tel | 210 226 8395 fax

COXSMITH.COM

Section of Administration, Surface Transportation Board
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A short summary of the document to appear in the index follows:

“Assignment of Leases and Rents and Other Income dated effective September 18, 2013, between Rio Grande Chemical, Ltd., a Texas limited partnership, and Compass Bank, an Alabama banking corporation, organized and existing under the laws of the State of Alabama and covering fifty (50) Covered Hopper Railcars, car mark and numbers RGCX 1592 to RGCX 1641”

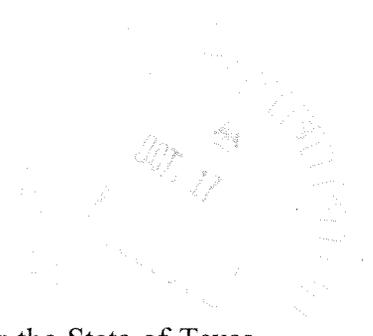
Yours truly,



Caroleene Hardee

Encls.

AFFIDAVIT OF TRUE AND CORRECT COPY



STATE OF TEXAS §
COUNTY OF BEXAR §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared CAROLEENE HARDEE, known to me to be a credible person, who, being by me first duly sworn, upon her oath stated as follows:

“My name is Caroleene Hardee. I am over twenty-one (21) years of age, of sound mind and fully competent to execute this Affidavit.

On October 11, 2013, I personally compared the copy of the Assignment of Leases and Rents and Other Income dated effective September 18, 2013 between Compass Bank, an Alabama banking corporation, as Secured Party, and Rio Grande Chemical, Ltd., a Texas limited partnership, as Debtor, attached hereto and incorporated herein as Exhibit A, to the original and found the copy to be complete and identical in all respects to the original document.”

I do hereby certify that the copy of Exhibit A attached hereto is the copy referred to in the foregoing affidavit.

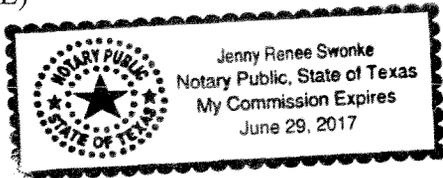
I do hereby certify under penalty of perjury that the foregoing is true and correct.

Signature of Affiant (handwritten signature of Caroleene Hardee)

STATE OF TEXAS §
COUNTY OF BEXAR §

SWORN TO, SUBSCRIBED AND ACKNOWLEDGED to before me, on this 11th day of October, 2013, to certify which witness my hand and seal of office.

(SEAL)



Signature of Notary Public (handwritten signature of Jenny Renee Swonke)
Notary Public in and for the State of Texas
Printed Name: Jenny Renee Swonke
My Commission Expires: June 29, 2017

Exhibit A – Assignment of Leases and Rents and Other Income effective September 18, 2013

ASSIGNMENT OF LEASES AND RENTS
AND OTHER INCOME

THIS ASSIGNMENT (the "Assignment") is made effective this 18th day of September, 2013, by **RIO GRANDE CHEMICAL, LTD.**, a Texas limited partnership ("Borrower"), whose address is 901 Lindberg, McAllen, Texas 78501, to **COMPASS BANK, an Alabama corporation** ("Lender"), whose address is 3900 N. 10th Street, 2nd Floor, McAllen, Texas 78501.

WHEREAS, Borrower is the owner of that certain personal property described in Exhibit "A" attached hereto and incorporated herein by this reference (such personal property being hereinafter referred to as the "Property");

WHEREAS, Borrower has executed that certain promissory note (as the same may be modified, extended, renewed, rearranged, replaced or increased from time to time, herein collectively called the "Note") dated November 21, 2011, in the principal sum of One Million Four Hundred Eighty Two Thousand Six Hundred Ninety Seven and 16/100 Dollars (\$1,482,697.16) payable to the order of Lender, which Note is secured by a Security Agreement (the "Security Agreement"), of even date therewith (the Note, all instruments securing payment of the Note, the Prior Assignment (as defined below), this Assignment, and all other documents executed or furnished by Borrower in connection with the loan evidenced by the Note, being hereinafter referred to collectively as the "Loan Instruments", and the terms "Note", "Security Agreement" and "Loan Instruments" shall be deemed to include any and all modifications, amendments, extensions, renewals and substitutions thereof);

WHEREAS, Borrower executed that certain Assignment of Leases and Rents and Other Income of even date therewith (the "Prior Assignment"), assigning the lease with Cementos Apasco, S.A. de C.V., a Mexican mercantile corporation and whereas that lease has, by its terms, expired; and

WHEREAS, Borrower has entered into a new lease of the Property more particularly described in Exhibit "B" attached hereto and incorporated herein by this reference (the "Lease");

THEREFORE, the Borrower wishes to execute this Assignment of the Lease.

1. Assignment. As Borrower's obligation to Lender pursuant to the loans evidenced by or referred to in the Loan Instruments, Borrower hereby assigns, sells, conveys, and sets over unto Lender all of Borrower's right, title, and interest in and to:

1.1. All those leases now or hereafter affecting all or any part of the Property (among other property), together with any and all extensions or renewals of any of said leases, including, but not limited to, those leases described on the attached Exhibit "B"; and

1.2. Any and all guarantees of the lessee's obligations under said leases; and

1.3. Any and all deposits (whether for security or otherwise), rents, issues, profits, revenues, royalties, contract rights, and benefits of every nature of and from the Property

(all such leases, guarantees, contract rights, benefits, and other property and property interests being hereinafter referred to collectively as the "Leases").

2. Warranties as to Leases. Borrower represents, warrants, and covenants that it now is the absolute owner of the Leases, with full right and title to assign the same and the rents, income, and profits due or to become due thereunder; that any existing Leases are valid, in full force and effect, and have not been modified or amended, except as stated herein; that there is no outstanding assignment or pledge thereof or of the deposits (for security or otherwise), rents, income, and profits due or to become due thereunder; that to its knowledge there are no existing defaults under the terms thereof on the part of any party thereto; and that, except as otherwise expressly set forth in the Leases, no rents, income, or profits payable thereunder have been or will be hereafter anticipated, discounted, released, waived, compromised, or otherwise discharged without Lender's prior written consent, such consent not to be unreasonably withheld, delayed, conditioned or denied. Borrower also represents, warrants, and covenants that, except as otherwise disclosed to Lender, all lessees under the Leases are paying rent on fully executed Leases.

3. Covenant to Defend Actions. Borrower shall, at Borrower's sole cost and expense, appear in and defend any action or proceeding arising under, growing out of, or in any manner connected with any Leases or the obligations, duties, or liabilities of the lessor or lessee thereunder, and shall pay all reasonable documented, out-of-pocket costs and expenses, including attorneys' fees, which Lender may incur in connection with Lender's appearance, voluntary or otherwise, in any such action or proceeding.

4. Lender Rights as to Leases and Rents. This is a current, direct and absolute assignment, and Lender shall have the right, at its option, and after the occurrence of an uncured Event of Default, to take possession of the Property affected by any Lease and to perform all acts necessary for the operation and maintenance of such Property in the same manner and to the same extent that Borrower might reasonably so act. In furtherance of the foregoing, and not by way of limitation, Lender is empowered, but shall have no obligation, to collect the rents, income, and profits accruing under any Lease, to enforce payment thereof and the performance of any and all terms and provisions thereof, to exercise all the rights and privileges of Borrower thereunder, including the right to fix or modify rents, to demand and sue for possession of the Property covered by any Lease, and to relet such Property and collect the rents, income, and profits accruing by reason of such reletting. Lender shall from time to time apply the net income derived under any Leases, after payment of all proper costs and charges (including any loss or damage of the nature referred to in Section 9 hereof, and including reasonable attorneys' fees and other costs of collection) to any sums then due Lender under the Loan Instruments, in such order as Lender may elect, but Lender shall in no event be accountable for any moneys not actually received by Lender pursuant hereto.

5. License to Borrower Until Default. Unless there shall have been a default by Borrower in the payment or performance of any obligation contained in, secured by, or referred to in the Loan Instruments that has continued beyond any applicable notice or cure period (a "Default"), Borrower shall have a license (which license shall terminate automatically and without further notice upon the occurrence of a Default) to collect, but not prior to accrual, the rents, issues and profits under the Leases and, where applicable, subleases, such rents, issues and profits to be held in trust for Lender and to otherwise deal with all Leases as permitted by this Assignment. Each month, provided no Default has occurred, Borrower may retain such rents, issues and profits as were collected that month and held in trust for Lender; provided, however, that all rents, issues and profits collected by Borrower shall be applied first to the payment of principal and interest and all other sums due and payable hereunder and under the Loan Instruments. Upon the

revocation of such license, all rents, issues and profits shall be paid directly to Lender and not through Borrower, all without the necessity of any further action by Lender, including, without limitation, any action to obtain possession of all or any portion of the Property or any action for the appointment of a receiver. After the occurrence of an uncured Default, Borrower hereby authorizes and directs the lessees under the Leases to pay rents, issues and profits to Lender upon written demand by Lender, without further consent of Borrower, without any obligation of such lessees to determine whether a Default has in fact occurred and regardless of whether Lender has taken possession of any portion of the Property, and the lessees may rely upon any written statement delivered by Lender to the lessees. Any such payments to Lender shall constitute payments to Borrower under the Leases, and Borrower hereby irrevocably appoints Lender as its attorney-in-fact to do all things, after an uncured Default, which Borrower might otherwise do with respect to the Property and the Leases thereon, including, without limitation, (i) collecting rents, issues and profits with or without suit and applying the same, less expenses of collection, to any of the obligations or sums due hereunder or under the Loan Instruments or to expenses of operating and maintaining the Property (including reasonable reserves for anticipated expenses), at the option of the Lender, all in such manner as may be determined by Lender, (ii) leasing, in the name of Borrower, the whole or any part of the Property, and (iii) employing agents therefor and paying such agents reasonable compensation for their services. The curing of such Default, unless other Defaults also then exist, shall entitle Borrower to recover its aforesaid license to do any such things which Borrower might otherwise do with respect to the Property and the Leases thereon and to again collect such rents, issues and profits. The powers and rights granted in this paragraph shall be in addition to the other remedies herein provided for upon the occurrence of a Default and may be exercised independently of or concurrently with any of said remedies. Nothing in the foregoing shall be construed to impose any obligation upon Lender to exercise any power or right granted in this paragraph or to assume any liability under any Lease of any part of the Property and no liability shall attach to Lender for failure or inability to collect any rents, issues and profits under any such Lease.

6. Authorization to Lessees. Borrower hereby irrevocably agrees and directs that, after the occurrence of an uncured Default, the lessee under any Lease shall, upon demand and notice from Lender that Lender has revoked the license contained in Section 7 hereof, pay all rents, income, and profits under such Lease to Lender without liability on the part of such lessee for determining the validity or propriety of Lender's revocation of such license, and notwithstanding any claim by Borrower that Lender's revocation of such license is invalid or improper. Borrower shall have no claim against any such lessee for any rents or other sums paid by such lessee to Lender.

7. No Responsibility Until Possession. Prior to Lender's actual taking possession of the Property immediately affected by any Lease, this Assignment shall not operate to place responsibility upon Lender for the condition, safety, control, care, management, or repair of such Property. Nothing contained herein shall be construed to bind Lender at any time to the performance of any of the terms or provisions contained in any Lease. Borrower agrees to indemnify and hold Lender harmless of and from any and all claims, liabilities, losses, expenses, or damages which Lender may incur under any Lease, or by reason of this Assignment.

8. Borrower to Perform and Enforce Leases. Borrower shall perform, both before and after any revocation by Lender of the license contained in Section 7 hereof, all of Borrower's covenants, agreements, and obligations as lessor under any Leases, and shall not suffer or permit to occur any release of liability of any lessee or the accrual of any right in any lessee to withhold any rent or other sum payable under the terms of any Lease. Borrower shall give prompt notice

to Lender of any notice of default received from any lessee, and shall furnish Lender with a copy of any such notice. If requested by Lender, Borrower shall enforce each Lease and all remedies available to Borrower against the lessee thereunder in the event of any default by such lessee.

9. No Impairment of Lender's Interests. Borrower shall not make any other or further assignments of any Lease or of any interest therein, or of any of the rents payable thereunder. Borrower shall not modify or amend the terms of any guaranty of any Lease or cancel or terminate any such guaranty, nor consent to the assignment of any Lease, or any subletting thereunder, without the prior written consent of Lender, which consent shall not be unreasonably withheld.

10. Lender's Rights to Perform. In the event Borrower shall fail to make any payment or to perform any act required of Borrower under the terms hereof, then after prior notice and opportunity to cure as set forth in the Loan Instruments (without waiving any rights of Lender under the provisions of Section 11 hereof) Lender may, but shall not be obligated to, without notice to or demand on Borrower, and without releasing Borrower from any obligation hereof, make or perform the same in such manner and to such extent as Lender may deem necessary to protect the security hereof, including specifically, without limitation, appearing in and defending any action or proceeding purporting to affect the security hereof or the rights or powers of Borrower or Lender, performing or discharging any obligation, covenant, or agreement of Borrower under any Lease, and, in exercising any of such powers, paying all necessary costs and expenses, employing counsel, and incurring and paying reasonable attorneys' fees. Any sum advanced or paid by Lender for any such purpose shall be immediately due and payable to Lender by Borrower, and shall bear interest at the Default Rate (as that term is defined in the Note) from the date paid or advanced by Lender until repaid by Borrower.

11. Cross Default Provision. Subject to notice and cure rights set forth in the Loan Instruments, any default by Borrower in the performance or observance of any covenant or condition hereof shall be deemed a default or event of default under each of the Loan Instruments, entitling Lender to exercise all or any remedies available to Lender under the terms of any or all Loan Instruments, and any default or event of default under any other Loan Instrument shall be deemed a default hereunder, entitling Lender to exercise any or all remedies provided for herein.

12. No Waiver. Failure by Lender to exercise any right which it may have hereunder shall not be deemed a waiver thereof unless so agreed in writing by Lender, and the waiver by Lender of any default by Borrower hereunder shall not constitute a continuing waiver or a waiver of any other default or of the same default on any future occasion.

13. Rights of Successors to Lender. Lender shall have the right to assign all of Borrower's right, title, and interest in any or all Leases (to the extent of the interests therein conferred upon Lender by the terms hereof) to any subsequent holder or owner of the Note or other Loan Instruments, or to any person who shall acquire title to the Property through foreclosure or otherwise. From and after the acquisition of title to the Property by any person, through foreclosure or conveyance in lieu of foreclosure, no assignee of Borrower's interest in any Lease shall be liable to account to Borrower for the rents, income, and profits thereafter accruing.

14. Effect of Releases of Security Agreement. The execution of any valid release of the Security Agreement shall operate as a release of this Assignment in favor of the then owner of the Property, provided that the execution of any valid partial release of said Security Agreement

shall operate as a release hereof only with respect to that portion of the Property thereby released from said Security Agreement, the term "Property" as used herein being deemed thereafter to refer only to that portion of the Property remaining encumbered by said Security Agreement, and the term "Borrower" as used herein being deemed thereafter to refer only to the owner or owners of such remaining portion of the Property. Notwithstanding anything to the contrary contained herein, if, in the event of a foreclosure of the Security Agreement, less than the full amount then owing under the Note is bid at any resulting foreclosure sale, this Assignment shall not be released but shall remain in full force and effect after such foreclosure sale and shall continue to secure any and all amounts owing under the Note.

15. Notices. All notices or other communications required or permitted to be given pursuant to this Assignment shall be in writing and shall be considered as properly given if sent by overnight courier delivery, or by delivering the same in person to the intended addressee. Notice given by overnight courier shall be effective the next business day following its deposit with the courier service. Notice given in any other manner shall be effective only if and when received by the addressee. Any notices delivered hereunder shall be addressed to the following unless otherwise notified in accordance herewith:

Lender:

Compass Bank
3900 N. 10th Street, 2nd Floor
McAllen, Texas 78501
Attn: Cara Turn

With a copy to:

Kerry T. Benedict
Cox Smith Matthews Incorporated
112 E. Pecan, Suite 1800
San Antonio, Texas 78205

Borrower:

Rio Grande Chemical, Ltd.
901 Lindberg
McAllen, Texas 78501
Attn: Paul G. Veale, Jr.

16. Lender Affidavits of Debt Due. The affidavit of any officer of Lender stating that any part of the indebtedness secured hereby remains unpaid shall constitute conclusive evidence of the validity, effectiveness, and continuing force of this Assignment, and any person may and is hereby authorized to rely upon such affidavit.

17. Rights Cumulative. The rights and remedies of Lender under this Assignment are cumulative and are not in lieu of, but are in addition to, any other rights or remedies which Lender shall have under the Note, the Security Agreement, or any other Loan Instrument.

18. Binding Effect. The provisions of this Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

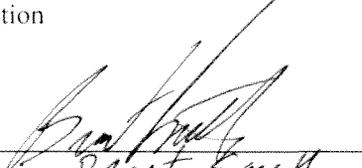
19. Severability. If any provision under this Assignment shall be invalid, illegal, or unenforceable, it shall not affect or impair the validity, legality, and enforceability of any other provision of this Assignment.
20. Amendment. This Assignment may not be amended, modified, or changed, nor shall any waiver of any provision hereof be effective, except only by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, modification, or discharge is sought.
21. Captions. The captions and headings in this Assignment are for convenience only and shall not be considered in interpreting the provisions of this Assignment.
22. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the United States and of the State of Texas.
23. No Construction Against Preparer. This Assignment has been prepared by Lender and its professional advisors and reviewed by Borrower and its professional advisors. Lender, Borrower, and their separate advisors believe that this Assignment is the product of all of their efforts, that it expresses their agreement, and that it should not be interpreted in favor of either Lender or Borrower or against either Lender or Borrower merely because of their efforts in preparing it.

[Signatures Appear on the Following Page]

IN WITNESS WHEREOF, Borrower has executed this Assignment of Leases and Rents and Other Income on the date first above written.

Lender:

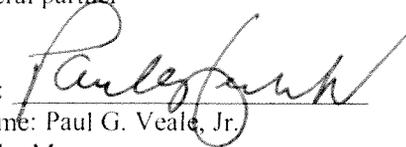
COMPASS BANK, an Alabama banking corporation

By: 
Name: BRETT SMITH
Title: VP

Borrower:

RIO GRANDE CHEMICAL, LTD.,
a Texas limited partnership

By: Rio Grande Chemical (GP), L.L.C.,
a Texas limited liability company, its
general partner

By: 
Name: Paul G. Veale, Jr.
Title: Manager

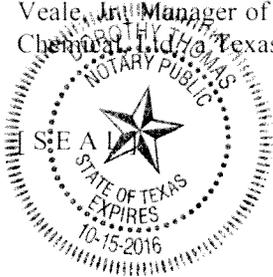
[Acknowledgments Appear on Following Page]

THE STATE OF TEXAS

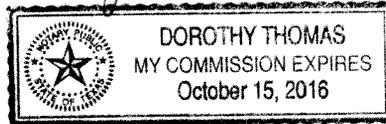
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COUNTY OF Hidalgo

This instrument was acknowledged before me this 18th day of September, 2013, by Paul G. Veale, Jr. Manager of Rio Grande Chemical (GP), L.L.C., as the general partner of Rio Grande Chemical, L.L.C., a Texas limited partnership, on behalf of said limited partnership.



Dorothy Thomas
Notary Public, State of Texas

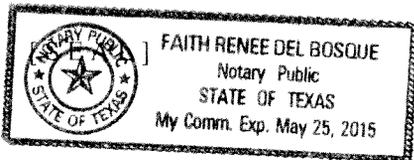


THE STATE OF TEXAS

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COUNTY OF Hidalgo

This instrument was acknowledged before me this 19th day of September, 2013, by Brent Smith, Vice President of Compass Bank, an Alabama banking corporation, on behalf of said corporation.



Faith Renee Del Bosque
Notary Public, State of Texas

EXHIBIT "A"

Property Descriptions

1. Fifty (50) Covered Hopper Railcars, car mark and numbers RGCX 1592 to RGCX 1641, as more particularly described in Railcar Net Leasing Agreement, dated February 25, 1997 with Exhibit E of Rider No. 7 dated June 13, 2013, by and between Rio Grande Chemical, Ltd., a Texas limited partnership (formerly known as Rio Grande Chemical Sales Company) (Lessor) and Essroc Cement Corp., a Pennsylvania corporation (Lessee).

EXHIBIT "B"

Description of Existing Leases

Lease 1: Railcar Net Leasing Agreement, dated February 25, 1997 with Exhibit E-Rider No. 7 (attached hereto as Schedule B-1) (but only as it applies to the 50 railcars marked RGCX 1592 to RGCX 1641), by and between Rio Grande Chemical, Ltd., a Texas limited partnership (formerly known as Rio Grande Chemical Sales Company) (Lessor) and Essroc Cement Corp., a Pennsylvania corporation (Lessee), and proceeds thereof (including, but not limited to, any renewals, extensions and modifications of the foregoing described Railcar Net Leasing Agreement, and any new lease agreements executed by Debtor and applicable to the foregoing described railcars).

Schedule B-1

Railcar Net Leasing Agreement

RAILCAR NET LEASE AGREEMENT

This AGREEMENT, dated February 25, 1997, by and between RIO GRANDE CHEMICAL SALES COMPANY, a Texas corporation having an office at 901 Lindberg, McAllen, Texas 78502 (hereinafter called "RGC") and ESSROC CEMENT CORP., a Pennsylvania corporation having an office at Hwy #31, Sellersburg, Indiana 47172 (herein after called "Lessee").

WITNESSETH:

- 1. Railcars Covered by Agreement.** RGC agrees to furnish and lease to Lessee, and Lessee agrees to accept and use, upon the terms and conditions set forth herein, the cars described on the rider(s) attached hereto, and such additional riders as may be added hereto from time to time by agreement of the parties, and any and all other cars delivered to and accepted by Lessee (collectively called the "Cars"). Each rider shall be in the form of Exhibit A attached hereto and shall set forth a description of the Cars, the number of Cars of each type, the specific Car marks and numbers as registered with the Association of American Railroads ("AAR"), the period for which the Cars will be leased (the "Term"), the rental charge per-car-per-period, the specific commodity or freight to be carried therein, any specific restrictions on use, the delivery location, the return location and other pertinent information that may be desired by both parties. All Cars leased pursuant to such rider(s), or otherwise delivered to and accepted by Lessee, are and shall be subject to the terms and conditions of this agreement and any riders hereto. This agreement and any and all riders hereto are herein collectively called the "Agreement."
- 2. Delivery, Inspection and Acceptance.** RGC agrees to deliver the Cars to Lessee at the point(s) in the United States designated in the applicable rider hereto or as otherwise mutually agreed to in writing by RGC and Lessee. RGC shall have no liability or obligation to Lessee for any delay in delivery resulting from causes beyond RGC's control. Each of the Cars shall be subject to an inspection by Lessee upon delivery. The condition of each Car will be evidenced by completion of an inspection and acceptance form in the form of Exhibit B attached hereto. Lessee agrees to accept each such Car on such delivery date or to immediately notify RGC of the nature and extent of any material defect that causes any Car to be reasonably deemed by the Lessee as unacceptable for use by Lessee. Execution by Lessee of any inspection and acceptance form showing a Car to be free of material defects shall constitute acceptance thereof by Lessee. If no such inspection and acceptance form shall have been so executed, then the loading of any Car so delivered, the placing of such Car into interchange service by the Lessee or at its direction, or the failure by Lessee to report any material defect in a car within ten (10) calendar days of delivery, shall be deemed to constitute acceptance thereof by Lessee as of the date of delivery. If Lessee is unable to accept delivery of a Car or to inspect such Car because of the inability of Lessee's plant or loading facility to accept such Car, for whatever reason, any storage or other charges incurred in connection with such Car shall be for Lessee's account.
- 3. Payment of Rent.** Lessee's obligation to pay RGC rent and any other amounts required under this Agreement or any rider hereto for any Car shall commence on the date of acceptance by Lessee of such Car and shall continue in all events until the end of the Term for such Car as set forth in the applicable rider hereto, or until the obligation to pay the same shall be determined pursuant to paragraphs 8 or 22 hereof, and, in any case, until the Cars have been returned to the possession of RGC pursuant to, and in the condition required by, paragraphs 10 and 14 hereof. Lessee agrees to pay rent and other amounts due in accordance with the terms of this Agreement and any rider hereto. Lessee shall not be entitled to any abatement or reduction of, or set off against, rent or any other amounts payable hereunder including, but not limited to, abatements, reductions or set offs arising from any claims of Lessee against RGC, under this Agreement or otherwise, or against any other party. Such amounts shall be paid to RGC in United States funds, monthly in advance on the first day of each month, and shall be prorated for any period for any Car that is leased for less than a full calendar month. Such payments shall be remitted to RGC by (i) wire transfer in accordance with instructions indicated on the applicable rider or (ii) by certified check, cashier's check or otherwise immediately available funds payable to RGC via express parcel courier, if applicable, to: RIO GRANDE CHEMICAL SALES COMPANY, 901 Lindberg, McAllen, Texas 78502, or to such other address as RGC shall from time to time direct in writing.
- 4. Use of Cars.** Except as otherwise set forth herein, Lessee agrees (i) to use the Cars exclusively in its own service, except as part of normal interchange service or as hereinafter provided; (ii) to use the Cars only to carry the commodities described in the rider relating to such Cars; (iii) to use the Cars in accordance with all laws and with industry standards and in accordance with the rules and regulations of the U. S. Department of Transportation ("DOT"), AAR and the Federal Railroad Administration ("FRA") or any successor organizations and the corresponding laws, regulations and rules in force in Mexico, Canada or the United States; (iv) to ensure that none of the Cars is loaded in excess of the load limit stenciled on each of the Cars; and (v) that none of the Cars shall be shipped beyond the boundaries of the United States, Canada or Mexico, except with the prior written consent of RGC; and (vi) not to exceed Twenty-Seven Thousand (27,000) miles (loaded and empty) in any calendar year except as provided in Article 9 hereof. Furthermore, Lessee shall be solely responsible and pay any and all duties, transmittal fees, customs brokers charges or other fees of any sort relating to the permanent or temporary importation or exportation of the Cars between the United States and Mexico and the United States and Canada, and (vii) that the Cars shall be used not less than 51% (fifty-one per cent) in service within the United States of America, determined on an annual basis.
- 5. Record of Movements.** Lessee, directly or through and approved sublessee, agrees to keep accurate and timely records pertaining to the movements of the Cars, and, upon the request of RGC, from time to time, to promptly provide to RGC, subject to any applicable Service Transportation Board ("STB") restrictions on release of such information, complete reports of the Car movements, including but not limited to dates received, loaded and shipped, commodity or freight loaded, destination, and all other Car movement information or documents which Lessee may originate or receive from railroad companies or other sources which RGC may reasonably request.
- 6. Taxes and Charges:** RGC shall be solely responsible for the payment of U.S. Federal income taxes assessed against it for any rental or casualty payment received under this Agreement. Lessee agrees to pay when due, and to defend and indemnify RGC against liability for all license fees, assessments, and sales, use, property, excise, privilege and other taxes (including any related interest or penalties) or other charges or fees now or hereafter imposed by any governmental body or agency upon any Cars, or with respect to the manufacturing, ordering, shipment, purchase, ownership, delivery, installation, leasing, operation, possession, use, return, or other disposition thereof or the rentals hereunder (other than taxes on or measured solely by the net income of RGC), including, without limitation: (i) any value added tax relating to the importation of the Cars and/or value added tax relating to the rental payments, income taxes on non-residents in Mexico or Canada and all other taxes (withholding or otherwise), including but not limited to any ad valorem or property taxes imposed in Canada or Mexico, or any other foreign country, or any state or province thereof, or any governmental or administrative subdivision thereof, and any sales, lease, use, gross receipts, franchise or single business taxes, and (ii) any and all other charges, license fees, assessments, fines, levies, imposts, duties, transmittal fees, customs broker's charges, tariffs, customs duties, switching charges, mileage equalization charges, empty movement charges, track storage, detention or demurrage charges including any

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value added or other taxes relating to such charges or fees arising from change in law or otherwise, including penalties and interest thereon, levied or imposed by any domestic or foreign, federal, state or local government or taxing authority, railroad or other agency, imposed upon, or with respect to, either the Cars, the Agreement, Lessee or RGC in connection with this Agreement. Lessee shall be under no obligation to pay any such taxes or other charges so long as Lessee is contesting in good faith and by appropriate legal proceedings imposition of such taxes or other charges and the nonpayment thereof does not or will not, in the reasonable opinion of RGC, adversely affect any title, property or rights of RGC hereunder in or to the rent or other sums payable under the Agreement or in or to any Car, or diminish the value thereof. For the purpose of this paragraph the railroad mileage and junction reports shall be prima facie evidence of the facts reported therein. Lessee agrees to promptly reimburse RGC for any of the foregoing paid by RGC, within ten (10) calendar days after written request by RGC. Any fees, taxes or other lawful charges paid by RGC upon failure of Lessee to make such payments shall at Lessor's option become immediately due from Lessee to RGC.

7. **Maintenance and Repair of Cars.** During the Term, Lessee shall, unless RGC shall otherwise consent in writing: (a) at its sole expense, service, repair, overhaul and maintain the Cars in the same condition as when received, ordinary wear and tear excepted, in good operating order, consistent with prudent industry practice (but, in no event less than the same extent to which Lessee maintains other similar Cars in the prudent management of its assets and properties) and in compliance with all applicable laws, ordinances, regulations, and conditions of all insurance policies required to be maintained by Lessee under the Agreement and all manuals, orders, recommendations, instructions and other written requirements as to the repair and maintenance of such Cars issued at any time by the vendor and/or manufacturer thereof; (b) maintain conspicuously on the Cars such labels, plates, decals or other markings as RGC may reasonably require, stating that RGC is owner of the Cars; (c) furnish to RGC such information concerning the condition, location, use and operation of the Cars as RGC may request; (d) if any Car does not comply with the requirements of this Agreement, Lessee shall, within thirty (30) calendar days of written notice from RGC, bring such Car into compliance; (e) not use any Car, nor allow the same to be used, for any unlawful purpose, for the transport of, nor in connection with, any explosive, hazardous, toxic, dangerous or environmentally threatening waste material or matter or any property or material that would subject RGC to any liability under any state or Federal statute or regulation pertaining to the production, transport, storage, disposal or discharge of explosive, hazardous, toxic, dangerous or environmentally threatening waste, material or matter; (f) it will maintain or cause to be maintained all records, logs, reports and compliance certificates relating to the care, use and maintenance of the Cars and shall make such records available for inspection at RGC's reasonable request and shall deliver such records to RGC upon the return of the Cars pursuant to Section 14 hereof; (g) it shall maintain and service the Cars so that the Cars at all times comply with the applicable interchange standards set for the Cars by the AAR or any successor thereto, and all damaged or broken parts will be repaired promptly according to AAR specifications and procedures; (h) all exterior sides will be free of rust and corrosion and will be painted according to a standard paint scheme, free of any and all advertising and notices other than receiving number and Lessee's corporate identification, and (i) make no additions, alterations, modifications or improvements (collectively, "Improvements") to any Car that are not readily removable without causing material damage to such Car or which will cause the value, utility or useful life of such item of such Car to materially decline. If any such Improvement is made and cannot be removed without causing material damage or decline in value, utility or useful life (a "Non-Severable Improvement"), then Lessee warrants that such Non-Severable Improvement shall immediately become RGC's property upon being installed and shall be free and clear of all liens and encumbrances and shall become subject to all of the terms and conditions of the Agreement. Any Improvements will not cause any of the Cars to become "limited use property" (within the meaning of Rev. Proc. 76-30). All such Improvements that are not Non-Severable Improvements shall be removed by Lessee prior to the return of the item of Cars hereunder or such Improvements shall also become the sole and absolute property of RGC without any further payment by RGC to Lessee and shall be free and clear of all liens and encumbrances whatsoever. Lessee shall repair all damage to any Car caused by the removal of any Improvement so as to restore such Car to the same condition which existed prior to its installation and as required by this Agreement.

8. **Casualty.** In the event any Car is irreparably damaged or destroyed or is out of service due to the loss of damage to or condition of the Car for more than sixty (60) days, Lessee shall pay to RGC, (i) on the next following rent payment date, or (ii) when the corresponding insurance payment has been received, whichever is later, an amount equal to the greater of (i) casualty value of such Cars as set forth in the Casualty Loss Schedule attached to the applicable rider hereto, and (ii) that amount that would be calculated assuming that Rule 107 of the AAR, or any successor rule adopted by the AAR or any successor organization, in effect as of the date such car is removed from service, is applicable. Rent in respect to any such Car will continue until all amounts due and payable to RGC in respect of such Car are received by RGC. Without limiting the obligation of Lessee to pay in full the amount required by the first sentence of this paragraph 8, RGC shall have the right, but shall not be obligated, to substitute for any such Car another car of the same type and capacity and the rent in respect to such substituted Car shall commence upon delivery of such substituted Car to Lessee. This Agreement shall not terminate nor shall the respective obligations of Lessee to RGC be otherwise affected by reason of (i) any defect in or damage to, any of the Cars from any cause; (ii) the taking or requisitioning of the Cars by condemnation or otherwise; (iii) the lawful prohibition of Lessee's use of the Cars; or (iv) the interference with such use by any person, other than RGC, when Lessee is not in default hereunder, the foregoing or any present or future law to the contrary notwithstanding. To the extent permitted by applicable law, Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any Car, except in accordance with the express terms hereof.

9. **Excess Mileage.** In the event a car shall travel more than 27,000 miles in a single year as calculated annually on the anniversary date of this Agreement, Lessee shall pay to RGC five (\$.05) per mile, per car for each mile in excess of the 27,000 miles for that year and each year during the term of this Agreement.

10. **Car Interior Care and Maintenance.** Lessee agrees that it will, at its own expense, maintain the interior of the Cars in a condition at least as good as when delivered to and accepted by Lessee, ordinary wear and tear excepted, so long as such wear and tear is caused by use for which such Car was designed, and in any case, free of perforation from corrosion, erosion or other damage. Lessee will not make any material change in the interior of any Car without the prior written consent of RGC, which consent shall specify the return conditions for such Car. In the event such consent is granted, the modification of any interior in any Car is to be performed by and at the sole expense and risk of Lessee, unless otherwise specifically provided for in the applicable rider or in such consent.

11. **Modifications to Cars.** Lessee agrees that it will not make any modifications to any of the Cars without the prior written consent of RGC. In the event that any governmental agency or non-governmental organization having jurisdiction over the operation, safety or use of railroad equipment requires that any addition, removal, modification, replacement or adjustment be made to any of the Cars in order to qualify them for operation in railroad interchange service (hereinafter "Modifications"), Lessee agrees to pay all costs or expenses required to make any such Modifications. Any parts or items added, whether as replacements or additions or Modifications, shall be considered accessions to the Cars and title thereto shall be immediately vested in RGC at no cost or expense to RGC, and shall remain on and not be removed from the Cars upon the return of the Cars to RGC at lease termination, except as pursuant to paragraph 14 hereof.

12. **Markings on Cars.** Upon delivery to Lessee, the Cars will bear reporting marks and car numbers as detailed in the applicable rider to this Agreement and as registered with the AAR. Lessee shall ensure that the Cars remain so marked throughout the term of this Agreement. No lettering or marking of any kind shall be placed upon or removed from any of the Cars by Lessee without prior written notice to RGC, except as directed by RGC or as mandated under requirements of the FRA, DOT, STB, AAR or other governmental agency. In the event of any such applicable change, Lessee will immediately notify RGC in writing prior to effecting such change, and, if requested to do so by RGC, Lessee will file a statement of new car numbers or otherwise arrange for the re-registration of the Cars as required by any governmental or non-governmental agency or organization in order to maintain the existing registration of the Cars and in order to protect RGC's title and interest in and to the Cars and in and to the Agreement. Any such allowed changes in or of lettering or markings on a Car shall be performed at the expense of Lessee.

13. **Inspections.** RGC or its designated agent shall have the right, from time to time, to inspect the Cars and Lessee's records and books with respect to the Cars at any reasonable time. Lessee agrees to assist RGC in performing any such inspection to the extent such assistance does not materially interfere with Lessee's operations. At any

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inspection, qualified independent inspectors representing RGC, or an independent inspector, in each case satisfactory to both RGC and Lessee, shall be present at the inspection and shall within a reasonable time from the date of such inspection determine and specify in writing the agreed repairs or work, if any, necessary to place each Car in the condition required by Section 14. If any Car is deemed not in the condition required by Section 14, Lessee, at its expense and risk, shall as promptly as possible but in no more than thirty (30) calendar days thereafter make such repairs and perform such work as shall be necessary to place such Car in the condition required by Section 14. Lessee will provide RGC with notice when such Car has been repaired so as to be in the condition required by Section 14.

14. **Return of Cars.** Except as otherwise set forth in the applicable rider with respect to any Car, upon termination of the Agreement with respect to any Car, Lessee agrees, at its sole expense and risk, to store such Car for such reasonable period of time as RGC shall request, and, at the Lessee's sole expense and risk to promptly redeliver such Car to RGC Delivery Duties Paid (DDP) at such interchange points within the continental United States as RGC may reasonably specify. In the event that any Car shall suffer a casualty occurrence during a storage period, Lessee shall pay to RGC the casualty value for such Car, as set forth in the Casualty Loss Schedule attached to the applicable rider hereto, as of the last day of the Term. Each Car shall be subject to RGC's inspection and acceptance upon redelivery. Each Car shall be in conformance with the applicable requirements of the AAR and FRA, DOT or any successor organizations, and shall be in at least as good condition as when delivered to Lessee, ordinary wear and tear excepted, including but not limited to (i) having fully functional and wind/water/commodity tight hatches, doors and outlets; (ii) being free from all charges and liens which Lessee is required to discharge pursuant to paragraph 15 hereof; and (iii) being free from all accumulation or deposits, whether from commodities transported in or on the Cars while in the service of Lessee or otherwise. In addition, Lessee shall at its own expense and risk, at the sole discretion of RGC, remove any structural members, bulkheads or any other load carrying or containing devices installed on or attached to any of the Cars by Lessee, repair any damage caused by such removal, and restore such Cars to the same configuration as when originally delivered to Lessee. For each day any Car shall not have been so returned to RGC, or for each day any Car so returned is not in such required condition, Lessee's obligation to pay rent and any other amounts under this Agreement or riders hereto will continue beyond the termination date in an amount equal to the greater of (i) its then fair market rental for such Car as reasonably determined by RGC or (ii) 125% of the rental for such Car indicated in the applicable rider, until Lessee shall so return and/or repair or clean any such Car, or reimburse RGC for any expenses incurred in repairing or cleaning any such Car. For all purposes of this Agreement no Car shall be deemed to have been returned to RGC's possession until all of Lessee's obligations herein pertaining to such Car have been performed.

15. **Liens on the Equipment.** Lessee shall pay or satisfy and discharge any and all liens or charges which may be levied against or imposed upon any Car, and any and all claims which, if unpaid, might constitute or become a lien or a charge upon any Car, except for any lien which (i) results from an affirmative act of RGC to create a lien, which act is neither consented to by Lessee nor created in connection with a Default (as hereinafter defined), or (ii) results from claims against RGC not related or connected to the ownership, leasing, use or operation of any of the Cars or its status as lessor under this Agreement. Lessee shall not be required to pay or discharge any such claims so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not, in the reasonable opinion of RGC, adversely affect or endanger the title or interest of RGC herein or in and to the Cars, or diminish the value of the Cars. Lessee's obligations under this paragraph 15 shall survive the termination of this Agreement.

16. **Limitations on Lessee's Interest.** No right, title or interest in any of the Cars shall vest in Lessee by reason of this Agreement or by reason of the delivery to or use by Lessee of the Cars, except the right to use the Cars in accordance with the terms of this Agreement. Lessee shall make no sublease, transfer, assignment or pledge of its interest under this Agreement in and to the Cars without RGC's prior written consent.

17. **Loss of or Damage to Commodities or Freight.** RGC shall not be liable for any loss or damage to any commodity or freight of any kind, or any part thereof, loaded or shipped in or on the Cars. Lessee agrees to assume responsibility for, and any liability arising from, any such loss or damage, and further agrees to indemnify RGC against, and hold RGC harmless from claims for any such loss or damage.

18. **Indemnification.** Lessee agrees to indemnify and hold RGC harmless from and against any loss, liability, claim, cost, damage or expense (including attorneys' fees) arising out of or in connection with the possession, leasing, subleasing, storage, use or return of any Car from the date of acceptance by Lessee to the date of return and acceptance by RGC, excepting, however, any loss, liability, claim, cost, damage or expense which is attributable to the gross negligence or willful misconduct of RGC, its agents or employees.

19. **Late Payment.** Lessee shall pay interest on any rent payment or other amount owed to RGC not received by RGC within ten (10) business days of the required due date. Interest on any such late payment will accrue from and including the due date until the date received by RGC at an interest rate of twelve percent (12%) per annum, or the highest rate allowed by law, whichever is lower. In addition, if any rent or other amount payable hereunder shall not be paid within ten (10) business days of the date when due, Lessee shall pay as an administrative and late charge an amount equal to 5% of the amount of any such overdue payment.

20. **Insurance.** Lessee shall procure and maintain insurance in such amounts and upon such terms and with such companies as RGC may approve, during the entire Term and until the Cars has been returned to, and accepted by, RGC in the condition required by Section 14 hereof, at Lessee's expense, provided that in no event shall such insurance be less than the following coverages and amounts: (a) Worker's Compensation and Employer's Liability Insurance, in the full statutory amounts provided by law; (b) Comprehensive General Liability Insurance including product/completed operations and contractual liability coverage, with minimum limits of \$5,000,000 each occurrence, and Combined Single Limit Body Injury and Property Damage, \$5,000,000 aggregate, where applicable; and (c) All Risk Physical Damage Insurance, including earthquake and Hood, on each item of Cars, in an amount not less than the greater of the casualty value of such Cars as set forth in the Casualty Loss Schedule attached to the applicable rider hereto or (if available) its full replacement value. RGC, its successors and assigns, will be included as an additional insured and loss payee as their interests may appear. Such policies shall be endorsed to provide that the coverage afforded to RGC shall not be rescinded, impaired or invalidated by any act or neglect of Lessee. Lessee agrees to waive Lessee's right and its insurance carrier's rights of subrogation against RGC for any and all loss or damage. Any insurance provided pursuant to this Section shall be primary and without right of contribution from other insurance carried by RGC; provide that there is no recourse against any additional insured for the payment of premiums, commissions, direct calls, assessments or advances and that if any premium or premium installment is not paid when due, or if such insurance is canceled, terminated or if there is any deletion of RGC as a loss payee for any reason whatsoever, or any change in any policy endorsement which are inconsistent with these requirements, the insurers will promptly notify RGC and Lessee, and that any such cancellation, termination or deletion of Lessor as a loss payee will not be effective as to any such party until ten (10) calendar days, in the case of cancellation for non-payment of premiums with respect to property insurance, and thirty (30) calendar days, in all other cases and respects, after receipt by such party of such notice; include a cross-liability provision providing that inasmuch as the policies are written to cover more than one insured, all terms and conditions, insuring agreements and endorsements, with the exception of limits of liability, shall operate in the same manner as if there were a separate policy covering each insured for public liability insurance; and insure RGC regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Lessee.

In addition to the foregoing minimum insurance coverage, Lessee shall procure and maintain such other insurance coverage as RGC may require from time to time during the Lease Term. All policies shall be endorsed or contain a clause requiring the insurer to furnish RGC with at least 30 days' prior written notice of any material change, cancellation or non-renewal of coverage. All policies of insurance shall waive any right of the insurers to any set-off or counterclaim or any deduction, whether by attachment or otherwise, in respect of any liability of RGC or Lessee. Upon execution of this Lease, Lessee shall furnish RGC with a certificate of insurance or other evidence satisfactory to RGC that such insurance coverage is in effect, provided, however, that RGC shall be under no duty either to ascertain the existence of or to examine such insurance coverage or to advise Lessee in the event such insurance coverage should not comply with the requirements hereof. In case of failure of Lessee to procure or maintain insurance, RGC may at its option obtain such insurance, the cost of which will be paid by the Lessee as additional rentals. Lessee hereby irrevocably appoints RGC as Lessee's attorney-in-fact to file,

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settle or adjust, and receive payment of claims under any such insurance policy and to endorse Lessee's name on any checks, drafts or other instruments on payment of such claims. Lessee further agrees to give RGC prompt notice of any damage to or loss of, the Cars, or any part thereof.

Notwithstanding the foregoing, provided no Default has occurred and is continuing, Lessee shall have the option to self-insure for the risks to be covered by All Risk Physical Damage Insurance, provided Lessee provides RGC with satisfactory documents concerning such self-insurance program.

21. **Default.** Each of the following shall be a Default under this Agreement: Lessee (i) fails to pay when due any rent or other amount required to be paid under this Agreement or any rider hereto; or (ii) Lessee shall fail to perform or observe any covenant, condition or agreement under any Lease, and such failure continues for ten (10) calendar days after notice thereof to Lessee; (iii) is in default of any of the material terms and conditions of any other lease or other financial obligation of Lessee; or (iv) is insolvent or makes an assignment for the benefit of creditors, or a trustee or a receiver is appointed for Lessee or for a substantial part of its assets, or a petition in bankruptcy or for reorganization or a similar proceeding is filed by or against Lessee; or (v) assigns this Agreement or Subleases the Cars (other than as specifically permitted hereby); or (v) makes or made any material misrepresentation to RGC in connection with this Agreement.

22. **Remedies.** Except as otherwise set forth in paragraph 2 hereof, upon the occurrence of a Default and at any time thereafter so long as the Default is continuing, RGC may, in its sole discretion, do any one or more of the following with respect to any or all of the Cars subject to this Agreement or riders hereto: (i) demand immediate payment of the casualty value of the Cars, as of the date of Default, as set forth in the Casualty Loss Schedule attached to the applicable rider hereto; (ii) demand immediate payment of the total amount of the unpaid rent and other payments then due and, in addition, as liquidated damages and not as a penalty, at RGC's sole discretion, either (a) the present value, discounted at six percent (6%) per annum, or the remaining rents and other amounts to become due under this Agreement and any riders hereto throughout the remaining Term thereof; after deduction of reasonable expenses, discounted at six percent (6%) per annum or (b) the amount by which the then casualty value as of the date of Default, as set forth on the applicable rider hereto exceeds the fair market value (less reasonable expenses) thereof, or, (upon any sale) the net sales proceeds (less reasonable expenses) received by RGC; and/or (iii) demand the return of any or all of the Cars, in accordance with paragraphs 10 and 14 hereof; and/or (iv) take possession of any or all of the Cars, without demand or notice, without court order or other processes of law and without liability for any damages occasioned by the taking of possession; and/or (v) upon notice to Lessee, terminate this Agreement and/or any riders hereto as to any or all of the Cars subject thereto; and/or (vi) exercise any other right or remedy available to RGC under applicable law. In the event of any such Default, Lessee shall provide free storage of any Cars subject to this Agreement or any riders hereto until such Cars are re-leased or sold, and shall, at the direction of RGC, promptly deliver the Cars, at Lessee's expense and risk, to RGC or its designee at such locations as RGC shall designate, and shall pay RGC for all costs and expenses, including attorneys' fees and court costs, incurred by RGC in exercising any of RGC's rights or remedies hereunder or in enforcing any of the provisions of this Agreement or any riders hereto. Except as otherwise set forth in paragraph 2 hereof, no remedy referred to in this Agreement is intended to be exclusive, but each shall be in addition to any other remedy referred to or otherwise available to RGC.

23. **Sale or Assignment.** Lessee agrees that, without Lessee's consent, RGC may sell, assign or pledge RGC's interest in the Cars and/or this Agreement and/or any riders hereto, in whole or in part, to any person, firm, partnership, or corporation (an "Assignee"), at RGC's sole discretion, subject to the interests of Lessee arising from this Agreement and any riders hereto, and that all of the rights of RGC provided for herein may be enforced without limitation by the Assignee(s). Lessee may not without RGC's written consent, sell, assign or pledge Lessee's leasehold interest in the Cars and/or this Agreement and/or any riders hereto, in whole or in part, to any person, firm, partnership or corporation.

24. **Waiver of Warranties and Representations.** RGC HEREBY MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING BUT NOT LIMITED TO THE DESIGN, CONDITION, COMPLIANCE WITH LAW OR SPECIFICATIONS, OPERATION, MERCHANTABILITY, SUITABILITY, QUALITY, FITNESS FOR A PARTICULAR USE OR SERVICE OR ANY OTHER MATTER CONCERNING THE CARS OR ANY PART THEREOF. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST RGC, ITS SUBSIDIARIES, SUCCESSORS OR ASSIGNS FOR ANY CLAIMS CAUSED BY THE CARS OR ANY DEFECT THEREIN OR THE OPERATION, MAINTENANCE OR REPAIR THEREOF. IT IS FURTHER AGREED THAT RGC SHALL HAVE NO LIABILITY TO LESSEE, LESSEE'S CUSTOMERS, OR ANY THIRD PARTIES FOR ANY DIRECT, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE TORT LIABILITY ARISING OUT OF THIS AGREEMENT OR ANY RIDER HERETO, OR WITH RESPECT TO THE USE, OPERATION, LEASING OR SUBLEASING OF THE CARS OR ANY PART THEREOF. LESSEE EXPRESSLY ACKNOWLEDGES THAT IT LEASES THE CARS "AS-IS".

25. **Financial Statements.** Upon request of RGC, Lessee agrees to provide to RGC, in a timely manner, audited financial statements for itself and its approved sublessee (if any) on an annual basis, and unaudited financial statements on a quarterly basis, and such other financial reports as RGC may from time to time request throughout the Term.

26. **UCC AND STB Filings.** Upon the request of RGC, Lessee will execute a memorandum of this Agreement and/or any rider or amendment hereto in form appropriate for filing with the UCC, STB or any other governmental department or agency or non-governmental organization. RGC, at its discretion, may file and record this Agreement and/or any rider or amendment hereto and/or any such memorandum with the STB or other department or organization, domestic or foreign. Such filings, when effected, will perfect RGC's rights in the Cars, the Agreement and each rider hereto (the "Operative Documents"), and no other filing, recording or deposit with, or giving of notice to, any other Federal, state, provincial or local government or agency thereof is necessary in order to protect the rights of RGC in the Cars and the Operative Documents in any foreign jurisdiction, the United States, any state thereof or the District of Columbia.

27. **Non-Waiver.** Neither the failure nor the delay of RGC to enforce any provision of this Agreement or any rider hereto or to prosecute any Default shall be considered as a waiver of that provision or affect the right of RGC to enforce such provision or any other provision hereof.

28. **Law and Jurisdiction.**

RGC AND LESSEE AGREE THAT THIS AGREEMENT MUST BE INTERPRETED IN ACCORDANCE WITH THE APPLICABLE LAWS IN FORCE IN HIDALGO COUNTY, TEXAS, UNITED STATES OF AMERICA, IN FORCE AT THE TIME LITIGATION IS INITIATED, AND, FURTHERMORE, RGC AND LESSEE AGREE TO SUBMIT THEMSELVES TO THE STATE COURTS WITH JURISDICTION OVER HIDALGO COUNTY, TEXAS, UNITED STATES OF AMERICA, RENOUNCING ANY OTHER LAW OR FORUM WHICH MAY CORRESPOND BY REASON OF DOMICILE OR ANY OTHER JURISDICTIONAL POINT OF CONNECTION.

29. **Merger, Consolidation or Change of Ownership.** Lessee will not (i) enter into any transaction of merger or consolidation or any commitment with respect thereto; (ii) liquidate or dissolve; (iii) sell, transfer or otherwise dispose of all or any material portion of its assets; (iv) commit a substantial change in the ownership or form of organization of its business; unless (1) immediately after giving effect thereto, no event shall occur and be continuing which constitutes an event of Default; (2) the aforesaid transaction shall not materially and adversely affect the ability of Lessee to perform its obligations hereunder; (3) in case of any merger or consolidation, the Lessee shall be the surviving corporation in any such consolidation or merger or such surviving corporation shall acknowledge and assume Lessee's continuing obligations under this Agreement in writing satisfactory in form and substance to RGC; and (4) RGC has given prior written consent to the aforesaid transaction, which consent shall be given, if at all, in the sole discretion of RGC.

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30. Lessee's Representations and Warranties. Lessee hereby represents and warrants that: (i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware, United States of America and is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction wherein the failure to so qualify could have a material adverse effect on the business or financial condition of Lessee; (ii) Lessee has full power and authority to execute, deliver and perform this Agreement and all related documents or instruments and to own or lease its properties and to carry on its business as now conducted and as contemplated by this Agreement; (iii) this Agreement and all related documents or instruments have been duly authorized, executed and delivered by Lessee and constitute the legal, valid and binding obligations of Lessee enforceable against it in accordance with the terms hereof and thereof; (iv) no authorization, consent or approval of, notice to or filing with any governmental authority is required for this Agreement and all related documents or instruments or for the acceptance, use or maintenance of the Cars; (v) neither the execution, delivery or performance by Lessee of this Agreement or any related document or instrument, nor compliance with the terms and provisions thereof, conflicts or will conflict with or will result in a breach or violation of any of the terms, conditions or provisions of any law, governmental rule or regulation or the charter documents, as amended, or by laws, as amended, of Lessee or any order, writ, injunction or decree of any court or governmental authority against Lessee or by which it is bound or of any financial, credit or other agreement to which it is a party; and (vi) all information submitted to RGC by Lessee is true, correct and complete, and, except as otherwise specifically disclosed in writing to RGC, neither Lessee, nor any officer, director or greater than ten percent (10%) owner of Lessee is subject to any pending or threatened government, criminal, civil, administrative, bankruptcy, tax or other proceeding, order or judgement that does or may constitute a lien or encumbrance on the Cars or materially affect the ability of Lessee to perform its obligations pursuant to this Agreement, nor has any such person ever been a debtor or defendant in a bankruptcy or insolvency proceeding.

31. Broker Fees. Lessee warrants and represents that no broker or agent has been involved with respect to this Agreement or the Cars, other than as previously disclosed in writing to RGC. Furthermore, and notwithstanding the foregoing, Lessee shall be responsible for payment of all fees, commissions and expenses of any broker or agent.

32. Miscellaneous. This Agreement and any riders hereto shall be binding upon and shall constitute the complete agreements between, RGC and Lessee, and may be amended or modified only in a writing lawfully executed by them. Any provision of this Agreement or any rider hereto determined to be unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof or thereof. Lessee waives any right to trial by jury on any issues or claims arising under this Agreement.

33. Notice. All notices under this Agreement shall be in writing or by a telecommunications device capable of creating a written record, and any such notice shall become effective (a) upon personal delivery thereof, including, without limitation, by overnight mail and courier service, or (b) in the case of notice by such a telecommunications device, when properly transmitted, addressed to each party at the following addresses or to such other address as the party to whom the same is intended shall specify in conformity with the foregoing:

If to RGC:

RIO GRANDE CHEMICAL SALES COMPANY
901 Lindberg
McAllen, Texas 78502
Attention: Paul G. Veale, Jr.
Fax No. 210/686-2223

With a copy to:

CACHEAUX, CAVAZOS, NEWTON, MARTIN & CUKJATI, L.L.P.
Convent Plaza
333 Convent Street
San Antonio, Texas 78205
Attention: Joseph B. Newton, Esq.
Fax No. 210/222-2453

If to Lessee:

ESSROC CEMENT CORP.
Hwy #31
Speed, Indiana 47172
Attention: Mr. Steve Reed
Fax No. 812/246-7800

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

RIO GRANDE CHEMICAL SALES COMPANY

By:

Name: Paul G. Veale, Jr.

Title: President

ESSROC CEMENT CORP.

By:

Name: W. Gary Polsen

Title: Sr. V.P. Sales & Marketing

Initial:

RV
RGC

Lessee

STATE OF TEXAS §
COUNTY OF HIDALGO §

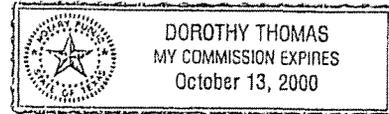
On this 28th day of April, 1997, before me personally appeared Paul G. Venle, Jr. to me personally known, who being by me duly sworn, says that he is the President of RIO GRANDE CHEMICAL SALES COMPANY, that said instrument was signed on behalf of said corporation by authority of its Board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Dorothy Thomas

Notary Public - State of Texas

My Commission Expires:
10-13-2000

[NOTARIAL SEAL]



COMMONWEALTH OF PENNSYLVANIA §

COUNTY OF NORTHAMPTON §

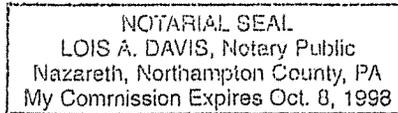
On this 15th day of April, 1997, before me personally appeared W. Gary Polsen to me personally known, who being duly sworn, says that he is the Sr. V.P. Sales & Marketing of ESSROC CEMENT CORP., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Lois A. Davis

Notary Public - Commonwealth of Pennsylvania

My Commission Expires: October 8, 1998

[NOTARIAL SEAL]



Initial: *R* _____
RGC Lessee

ADDENDUM
to RAILCAR NET LEASE AGREEMENT

The Railcar Net Lease Agreement entered into as of February 25, 1997 between RIO GRANDE CHEMICAL SALES CO. (RGC) and ESSROC CEMENT CORP. (Lessee) is hereby amended to include the following paragraph:

34. Mileage Payments and Credits. Lessee shall provide RGC with written notice of any railroad transportation contract(s) containing mileage payment provisions applicable to the Cars within thirty days of the effective commencement date of such agreement(s). Unless RGC is notified in writing by Lessee that it has executed transportation contracts applicable to the Cars with a railroad wherein the loaded movement of the Cars is subject to mileage compensation, RGC shall have no obligation to determine or receive payments, or allocate any mileage credits to the account of Lessee. In no event shall RGC be obligated to Lessee for collection of mileage compensation from any railroad. All mileage payments paid by railroads on the Cars shall be the property of RGC, provided however, that such payments shall be available under the provisions of this paragraph to apply as credits against rentals and other amounts due under this Agreement from Lessee. During the Term of the Agreement the total of such credits shall not exceed the total rental payable by Lessee and any credit unused at the end of the Agreement shall be canceled. Lessee shall use the Cars so that their mileage under load shall be not less than their mileage empty upon each railroad over which the Cars shall move, including movement to place of delivery to Lessee hereunder and movement to RGC upon termination or expiration of this Agreement. Upon notice from any railroad, whether received prior to or after the termination of the Agreement, Lessee shall pay RGC as additional rental all sums due on account of all excess empty mileage charges incurred on the Cars at the rate established by the applicable railroad tariff or any sums as may be due in connection with any excess loaded mileage credit given Lessee by RGC as a result of excess payments made by a railroad. The provisions of this paragraph that allocate mileage credits to the account of Lessee shall be suspended during any rental period in which Lessee is in default under this Agreement and shall continue to be suspended until such time that the default shall have been cured as set out in paragraph 21 and paragraph 22 hereof.

All other terms and conditions shall remain unchanged and in full force and effect.

Effective this 8th day of March, 1999.

RIO GRANDE CHEMICAL SALES COMPANY

ESSROC CEMENT CORP.

By:

Paul G. Veale, Jr.

By:

Stephen E. Reed

Its:

President

Its:

Manager of Supply + Rail Services

Printed Name:

PAUL G. Veale, Jr.

Printed Name:

STEPHEN E. Reed

Witness:

Nancy Thomas

Witness:

Michael W. Wilson

RIDER No. 7 TO RAILCAR NET LEASE AGREEMENT (the "AGREEMENT") BETWEEN RIO GRANDE CHEMICAL SALES CO., its successor entity being RIO GRANDE CHEMICAL, LTD. ("RGC") AND ESSROC CEMENT CORP. DATED FEBRUARY 25, 1997.

DATE OF RIDER: June 13, 2013

NUMBER OF CARS: Fifty (50)

CAR TYPE: AAR Type C-112, 115-Ton, 3281 cubic feet capacity, 2-pocket, 2002 Trinity built, covered hopper railcars equipped with 30" round hatches, 4 vents per car end, and Miner AutoLok II gates

CAR MARKS AND NUMBERS: Per attached Exhibit E - Rider 7

LEASE TERMINATION DATE: July 31, 2020

PAYMENT FREQUENCY: Monthly in Advance

RENT PAYMENT: \$460.00 per car, per month NET

PAYMENT INSTRUCTIONS: Bank Wire Transfer per attached Exhibit D - Rider 6 or certified check or Essroc check

CASUALTY VALUE: Per attached Exhibit C - Rider 7

MAINTENANCE TYPE: Lessee's responsibility per the Railcar Net Lease Agreement

AD VALOREM TAXES: Lessee's responsibility per the Railcar Net Lease Agreement

INSURANCE: Lessee's responsibility per Article 20. of Railcar Net Lease Agreement

PERMISSIBLE COMMODITIES SERVICE: Cement and cement related products including slag and fly ash

MILEAGE PAYMENTS: Per Addendum #2 to Railcar Net Lease Agreement

RESTRICTIONS ON USE: Cement transportation in U. S. A. and limited use in Canada

DELIVERY: July - August 2013, subject to delays beyond Lessor's control

DELIVERY LOCATION: BOCT, BRC or BNSF-CSX interchange near Chicago, IL, or other location designated by RGC

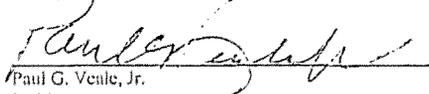
RETURN LOCATION: Any RGC designated location or interchange serviced by CSX or NS, or other location designated by RGC

CAR CLEANING: The Cars shall have all cement and cement residue removed from interior (sandblasted) and exterior, and in addition each car shall be completely cleaned and free of graffiti prior to return to RGC, in accordance with Article 14.

Agreed this 1st day of July 2013 by and between RIO GRANDE CHEMICAL, LTD. and ESSROC CEMENT CORP.

RIO GRANDE CHEMICAL, LTD.
By: Rio Grande Chemical (GP), LLC, its General Partner

By:


Paul G. Veale, Jr.
Its Manager

ESSROC CEMENT CORP.

By:

Its:

Name:

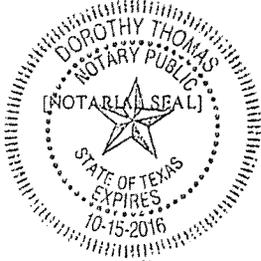

Senior Vice President & Technical Director

Derek Nicholls
July 1, 2013

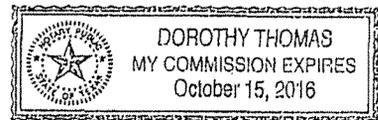
EXHIBIT A - RIDER No. 7

STATE OF TEXAS §
COUNTY OF HIDALGO §

On this 2nd day of July, 2013, before me personally appeared Paul G. Veale, Jr., to me personally known, who being duly sworn, says that he is the Manager of RIO GRANDE CHEMICAL (GP), LLC, the General Partner of RIO GRANDE CHEMICAL, LTD., and affirmed that said instrument was signed on behalf of said limited partnership, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited partnership.



Dorothy Thomas
Notary Public - State of Texas
My Commission Expires: 10-15-16

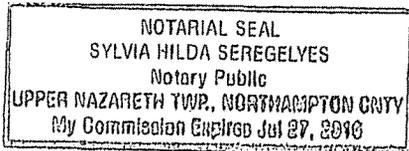


STATE OF Mississippi
COUNTY OF Jefferson §

On this 10th day of July, 2013, before me personally appeared Frank Nichols to me personally known, who being duly sworn, says that he is the SVP of ESSROC CEMENT CORP. that said instrument was signed 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.

[NOTARIAL SEAL]

Sylvia Hilda Serregelyes
Notary Public
My Commission Expires: July 27, 2016



Initial: PV KN
RGC Lessee

EXHIBIT B - RIDER No. 7

CERTIFICATE OF ACCEPTANCE

I have been appointed as the duly authorized representative of ESSROC CEMENT CORP. for the purpose of inspecting and accepting the Cars (as defined in the Railcar Net Lease Agreement dated as of February 25, 1997 between RIO GRANDE CHEMICAL SALES CO., its successor entity being RIO GRANDE CHEMICAL, LTD. and ESSROC CEMENT CORP., (hereinafter the "Agreement"). In such capacity, I do hereby certify that in respect of the Cars described below:

1. Each Car has been inspected and is in good order.
2. Based on my determination that each Car is in good order and in compliance with all applicable specifications, each Car is hereby accepted by ESSROC CEMENT CORP. for all purposes of the Agreement.

TYPE OF EQUIPMENT:

DATE OF ACCEPTANCE:

NUMBER OF CARS:

CAR NUMBERS:

Authorized Representative of ESSROC CEMENT CORP.

Dated: _____

Initial:

RV
RGC

KC
Lessee

EXHIBIT C - RIDER No. 7

CASUALTY LOSS SCHEDULE

The Casualty Value of each leased railcar shall be determined by referencing the Casualty Value Percentage for the specific rent payment number periods in which a loss occurs and multiplying such percentage by \$50,500: *W*

Rental Pmt #	Casualty Value										
1	100.00%	2	100.00%	3	100.00%	4	100.00%	5	100.00%	6	100.00%
7	98.52%	8	98.52%	9	98.52%	10	98.52%	11	98.52%	12	98.52%
13	97.26%	14	97.26%	15	97.26%	16	97.26%	17	97.26%	18	97.26%
19	95.99%	20	95.99%	21	95.99%	22	95.99%	23	95.99%	24	95.99%
25	94.73%	26	94.73%	27	94.73%	28	94.73%	29	94.73%	30	94.73%
31	93.46%	32	93.46%	33	93.46%	34	93.46%	35	93.46%	36	93.46%
37	92.20%	38	92.20%	39	92.20%	40	92.20%	41	92.20%	42	92.20%
43	90.93%	44	90.93%	45	90.93%	46	90.93%	47	90.93%	48	90.93%
49	89.67%	50	89.67%	51	89.67%	52	89.67%	53	89.67%	54	89.67%
55	88.40%	56	88.40%	57	88.40%	58	88.40%	59	88.40%	60	88.40%
61	87.14%	62	87.14%	63	87.14%	64	87.14%	65	87.14%	66	87.14%
67	85.87%	68	85.87%	69	85.87%	70	85.87%	71	85.87%	72	85.87%
73	84.61%	74	84.61%	75	84.61%	76	84.61%	77	84.61%	78	84.61%
79	83.34%	80	83.34%	81	83.34%	82	83.34%	83	83.34%	84	83.34%
85	82.08%	86	82.08%	87	82.08%	88	82.08%	89	82.08%	90	82.08%
91	80.81%	92	80.81%	93	80.81%	94	80.81%	95	80.81%	96	80.81%
97	79.54%	98	79.54%	99	79.54%	100	79.54%	101	79.54%	102	79.54%
103	78.28%	104	78.28%	105	78.28%	106	78.28%	107	78.28%	108	78.28%
109	77.01%	110	77.01%	111	77.01%	112	77.01%	113	77.01%	114	77.01%
115	75.75%	116	75.75%	117	75.75%	118	75.75%	119	75.75%	120	75.75%

Initial:

W
RGC

LC
Lessee

EXHIBIT D - RIDER No. 7

ACH and BANK WIRE TRANSFER INSTRUCTIONS

For RIO GRANDE CHEMICAL, LTD.

BANK: BBVA Compass Bank
3900 North 10th Street
McAllen, Texas 78501
Telephone: 956.631.5401

BANK'S ABA NUMBER: 113010547

ACCOUNT NAME: Rio Grande Chemical, Ltd.
P. O. Box 69
McAllen, TX 78505

ACCOUNT NUMBER: 2515281706

If you have any questions, please contact RIO GRANDE CHEMICAL at 956/686-2221.

Initial: M/
RGC

RG
Lessee

EXHIBIT E - RIDER No. 7

CAR MARKS AND NUMBERS

RGCX 1592 thru 1641

Initial: CV
RGC

RC
Lessee