PEPPER, HAMILTON & SCHEETZ
ATTORNEYS AT LAW
123 SOUTH BROAD STREET
PHILADELPHIA, PENNSYLVANIA 1910
215-545-1234
CABLE ADDRESS
"PEPFIL PHILADELPHIA"

SUITE 200
1776 F STREET, N. W.
WASHINGTON, D. C. 20006
202-467-6500

P. O. BOX 1181
SOUTH MARKET SQUARE
HARRISBURG, PA. 17108
717-233-8483

NUMBER ONE RADNOR STATION
KING OF PRUSSIA ROAD
RADNOR, PA. 19087
215-687-8440

RECORDATION NO. 9366 Filed & Recorded
MAY 9 1978 - 1 10 PM
INTERSTATE COMMERCE COMMISSION

8-129 013
MAY 9 1978
Date
Fee $ 150
CC Washington, D

RECORDATION NO. 9366-B Filed & Recorded
MAY 9 1978 - 1 10 PM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 9366-A Filed & Recorded
MAY 9 1978 - 1 10 PM
INTERSTATE COMMERCE COMMISSION

RECEIVED
MAY 9 1 07 PM '78
CERTIFICATION UNIT

May 9, 1978

Mr. Robert L. Oswald, Secretary
Interstate Commerce Commission
Washington, DC 20423

Dear Mr. Oswald:

I am sending you herewith for filing in your office, pursuant to Section 20c of the Interstate Commerce Act, six counterparts of each of the following:

(a) Purchase Order Assignment, dated as of April 1, 1978, between Diamond Shamrock Corporation and Trust Company for USL, Inc., as Trustee;

(b) Equipment Lease, dated as of April 1, 1978, between Diamond Shamrock Corporation and Trust Company for USL, Inc.; and

(c) Security Agreement, dated as of April 1, 1978, between Trust Company for USL, Inc. (the Lessee"), as Trustee, and Union Mutual Life Insurance Company (the "Secured Party").

There is also enclosed a check in the amount of $150.00 for the recordation fees. The names and addresses of the parties to the transaction are as follows:

Secured Party:	Union Mutual Life Insurance Company 2211 Congress Street Portland, Maine 04112
Lessee:	Diamond Shamrock Corporation 1100 Superior Avenue Cleveland, Ohio 44114

Certificate Martin Murray

Purchaser and Lessor:	Trust Company for USL, Inc., as Trustee under Diamond Shamrock Trust No. 2 1211 West 22nd Street Oak Brook, Illinois 60521

The equipment covered by the agreement consists of 100 covered hopper cars with pneumatic outlets with A.A.R. mechanical designation LO, bearing Lessee road numbers DAX 2001-2100 inclusive, and marked "Leased from a Bank or Trust Company, as Trustee, and subject to a Security Interest recorded with the ICC."

Kindly return to the bearer five counterparts of each of the documents.

Very truly yours,

James A. Ounsworth

JAO:msb

Enclosures

9366
RECORDATION NO. ..... Filed & Recorded

MAY 9 1978 -1 10 PM

INTERSTATE COMMERCE COMMISSION

PURCHASE ORDER ASSIGNMENT

Dated as of April 1, 1978

BETWEEN

TRUST COMPANY FOR USL, INC.

AS TRUSTEE

AND

DIAMOND SHAMROCK CORPORATION

(Diamond Shamrock Trust No. 2)
(100 Hopper Cars)

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Attachments to Purchaser Order Assignment:

Exhibit A -- Copies of Purchase Orders

Exhibit B-1 -- Consent and Agreement (of Manufacturer)

Exhibit B-2 -- Consent and Agreement (of Tank Lining)

PURCHASE ORDER ASSIGNMENT

PURCHASE ORDER ASSIGNMENT dated as of April 1, 1978 between TRUST COMPANY FOR USL, INC., an Illinois corporation, not individually but solely as trustee (the Trustee) under a Trust Agreement dated as of the date hereof (the Trust Agreement) with Chemical Bank, a New York banking corporation (the Trustor), and DIAMOND SHAMROCK CORPORATION, a Delaware corporation (the Lessee).

R E C I T A L S:

A. The Lessee has agreed to purchase one hundred (100) covered hopper cars with pneumatic outlets, which cars shall have an interior lining as described hereinafter (collectively, the Equipment and individually, an Item of Equipment) from ACF Industries Incorporated a New Jersey corporation (the Manufacturer), pursuant to a certain purchase order, a copy of which is attached hereto in Exhibit A;

B. The Lessee has contracted with Tank Lining Corp., a Pennsylvania corporation (Tank Lining), for Tank Lining to apply a two coat interior lining to each Item of Equipment pursuant to, and in accordance with, the specifications set forth in a certain purchase order, a copy of which is attached hereto in Exhibit A (said purchase orders of the Manufacturer and Tank Lining hereinafter individually, the Purchase Order, and collectively, the Purchase Orders);

C. The Lessee desires to lease, rather than to purchase, the Equipment under and subject to the terms and conditions of an Equipment Lease (the Lease) referred to in Section 1 of the Trust Agreement and desires the Trustee to cause Tank Lining to line the Equipment; and

D. The Trustee is willing to cause the Equipment to be lined by Tank Lining and subsequently to purchase the Equipment on the terms and conditions of this Agreement, and upon such purchase the Trustee shall lease the Equipment to the Lessee.

E. The Trustee simultaneously herewith shall enter into a Participation Agreement dated as of the date hereof (the Participation Agreement) with Union Mutual Life Insurance Company and Unionmutual Stock Life Insurance Co. of America (collectively, the Note Purchasers), the Lessee and the Trustor providing for the commitment of the Note Purchasers to purchase the Secured Notes (the Notes) of the Trustee to provide a portion of the financing for the cost of the Equipment, which Notes will be secured by an assignment of the Trustee's right, title and interest in and to this Assignment, the Lease and in and to the Equipment pursuant to a Security Agreement dated as of the date hereof (the Security Agreement) between the Trustee and Union Mutual Life Insurance Company in its own capacity and as agent for Unionmutual Stock Life Insurance Co. of America (in such combined capacity sometimes hereinafter referred to as the Secured Party).

IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN CONTAINED, THE TRUSTEE AND THE LESSEE HEREBY AGREE:

Section 1. ASSIGNMENT.

The Lessee does hereby assign and set over to the Trustee all of the Lessee's rights and interests in and to the Equipment and the Purchase Orders as the same relate to the Equipment, except and to the extent reserved below, including, without limitation, in such assignment (a) the right to cause to be lined and to purchase the Equipment pursuant to the Purchase Orders, and the right to take title to the Equipment and to be named the purchaser in the bill or bills of sale for the Equipment to be delivered pursuant to the Purchase Order of the Manufacturer; (b) all claims for damages in respect of the Equipment arising as a result of any default by the Manufacturer or Tank Lining under the Purchase Orders, including, without limitation, all warranty and indemnity provisions contained in the Purchase Orders, and all claims arising thereunder, in respect of the Equipment; and (c) any and all rights of the Lessee to compel performance of the terms of the Purchase Orders; reserving to the Lessee, however, so long and only so long as the Equipment shall be subject to the Lease and the Lessee shall be entitled to possession of the Equipment thereunder, (i) the rights to demand, accept and retain all rights in and to all property (other than the Equipment), data and service which the Manufacturer or Tank Lining is obligated to provide, or does provide, pursuant to the Purchase Orders, (ii) all rights,

if any, in respect to spare parts as provided in the Purchase Orders, and (iii) the right, if any, to obtain instructions and data pursuant to the Purchase Orders.

Notwithstanding the foregoing, so long and only so long as the Trustee shall not have notified the Manufacturer or Tank Lining in writing that an Event of Default (as defined in the Lease) or an event which with the passage of time or the giving of notice, or both, could cause an Event of Default, has occurred and is continuing, the Trustee authorizes the Lessee to the exclusion of the Trustee, to exercise in its own name all rights and powers of a purchaser under the Purchase Orders and, subject to approval of the Trustee, to retain any recovery or benefit resulting from the enforcement of any warranty or indemnity under the Purchase Agreements in respect of the Equipment, except the Lessee may not exercise any of the rights to purchase and take title to the Equipment unless, prior to the exercise thereof by the Trustee as to the Equipment, the Trustee shall have delivered to the Manufacturer written notice that the Trustee has released such rights with respect to the Equipment.

Section 2. CONTINUING LIABILITY OF LESSEE; EXCLUDED EQUIPMENT.

It is expressly agreed that, anything herein to the contrary notwithstanding: (a) the Lessee at all times shall remain liable to the Manufacturer and Tank Lining to perform all of the duties and obligations of the Lessee as purchaser under the Purchase Orders to the same extent as if this Assignment had not been executed; (b) the execution of this Assignment shall not modify any contractual rights of the Manufacturer and Tank Lining under the Purchase Orders and the liabilities of the Manufacturer and/or Tank Lining under the Purchase Orders shall be to the same extent and continue as if this Assignment had not been executed; and (c) the exercise by the Trustee of any of the rights assigned hereunder shall not release the Lessee from any of the duties or obligations to the Manufacturer and Tank Lining under the Purchase Orders except to the extent that such exercise by the Trustee shall constitute performance of such duties and obligations.

The Trustee, the Trustor, and each of the Note Purchasers shall not, severally or jointly, have any obligation

hereunder or under the Participation Agreement to the Manufacturer and/or Tank Lining in respect of Items of Equipment not delivered and accepted on or before December 11, 1978 (the Outside Delivery Date) or for Items of Equipment with respect to which payment therefor would cause the aggregate Purchase Price (as defined in the Participation Agreement) for all Equipment to exceed $4,000,000. Any such Item for which such obligations are so terminated shall be immediately excluded from the terms and provisions of this Assignment, the Participation Agreement and all other Fundamental Agreements referred to and defined in the Participation Agreement and in the event of such exclusion, the Lessee agrees with the Trustee, and also with and for the benefit of the Manufacturer and Tank Lining as third party beneficiaries to the undertakings of the Lessee set forth in this Section 2, that the Lessee will be obligated to have the interior lining for the Equipment applied by Tank Lining, to purchase from the Manufacturer, to accept delivery of and pay for, any Item or Items of Equipment so excluded from this Assignment. The Manufacturer, Tank Lining and the Lessee shall execute a separate agreement providing for the lining and sale of such excluded Item or Items of Equipment upon the same terms and conditions as those contained in the respective Purchase Orders.

Anything herein to the contrary notwithstanding, the delivery to and acceptance by or on behalf of the Trustee of any Item of Equipment excluded from this Assignment pursuant to the second paragraph of this Section 2 shall be ineffective, ab initio, to create in or transfer to the Trustee any legal or beneficial right or interest in such Item or to impose on the Trustee any liability, obligation or responsibility with respect thereto; any right or interest in any such Item created in or transferred to, or purported to be created in or transferred to, the Trustee shall be held by the Trustee solely as trustee for the benefit of the Lessee.

Section 3. POWER OF ATTORNEY.

The Lessee does hereby constitute the Trustee the true and lawful attorney of the Lessee, irrevocably with full power (in the name of the Lessee or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all monies and claims for money due and to become due under, or arising out of, the Purchase Orders to the

extent that the same have been assigned by this Assignment, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Trustee may deem to be necessary or advisable.

Section 4. PURCHASE OF EQUIPMENT.

The Trustee agrees, subject to the conditions applicable to the Trustor or the Note Purchasers, as the case may be, set forth in Section 4 of the Participation Agreement, that on two dates, as the Lessee shall designate by not less than five days' prior written notice to the Trustee, to pay to the Manufacturer and Tank Lining their respective portions of the Purchase Price of each Item of Equipment delivered and accepted in accordance with the terms of this Assignment and the Lease; provided, however, that the aggregate Purchase Price of such Items of Equipment shall not exceed $4,000,000 and the Trustee shall have no obligation to make the aforesaid payment otherwise than from funds advanced to the Trustee by the Trustor pursuant to the Trust Agreement and from the proceeds of the sale of the Notes issued by the Trustee to the Note Purchasers pursuant to the Participation Agreement. The Trustee agrees that it will designate such payment date requested by the Lessee pursuant to this paragraph as a Closing Date under, and as defined in, the Participation Agreement and the Trust Agreement by delivery of prior written notice or notices as required therein, calling for the purchase of the Notes under the Participation Agreement and the advance of funds under the Trust Agreement in an aggregate amount equal to the aggregate Purchase Price so designated for payment by the Lessee in the invoices; provided further, however, that the Closing Dates shall not be later than December 11, 1978.

Not less than five days prior to a Closing Date, the Lessee shall furnish to the Trustee an invoice or invoices of the Manufacturer accompanied by or having endorsed thereon a certification by the Lessee as to the correctness of the prices of the Items of Equipment set forth in said invoice or invoices and an invoice or invoices of Tank Lining by or having endorsed thereon a certification by the Lessee as to the correctness of the cost of the two coat interior lining of the Items of Equipment set forth in said invoice or invoices.

Section 5. FURTHER ASSURANCE.

The Lessee agrees that at any time and from time to time, upon the written request of the Trustee, the Lessee will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Trustee may reasonably request in order to obtain the full benefits of this Assignment and of the rights and powers herein granted.

Section 6. WARRANTIES AND INDEMNITIES OF LESSEE.

The Lessee does hereby represent and warrant that:

(a) The Lessee has the right to assign the Purchase Orders as set forth herein.

(b) The Purchase Orders are in full force and effect and are enforceable in accordance with their respective terms, and the Manufacturer, Tank Lining and the Lessee are not in default thereunder nor has an event occurred which with the passage of time or the giving of notice, or both, would cause a default thereunder.

(c) The Lessee has not assigned or pledged, and hereby covenants that it will not assign or pledge so long as this instrument shall remain in effect, the whole or any part of the rights hereby assigned to anyone other than the Trustee. The Lessee agrees to warrant and defend the rights, title and interest of the Trustee to the Equipment, against the rights or claims of any persons arising on or after the date of delivery of the Equipment by the Manufacturer to the Lessee, excepting only the rights of the Lessee under the Lease and the Secured Party under the Security Agreement.

The Lessee hereby agrees to indemnify and hold the Trustee, the Trustor, the Note Purchasers and their respective successors, assigns, directors, officers and agents harmless from and against any and all losses, claims, damages, penalties, actions, suits, costs, disbursements, liabilities and expenses (including without limitation, legal fees and expenses) which arise out of or relate to the construction, manufacture, purchase, testing, operation, acceptance, rejection, ownership during the term of the Lease or any renewal thereof, use during the term of the Lease or any renewal thereof, delivery and sale of the Equipment (including,

without limitation, latent or other defects, whether or not discoverable, any claim for patent, trademark or copyright infringement and any claim based in tort, including strict liability); provided, however, that nothing herein shall be construed to be a guarantee by the Lessee of the payment of principal or interest of the Notes or that the Items of Equipment will have any residual value at the end of the term of the Lease or any extension thereof.

Section 9. LIMITATIONS OF LIABILITY.

It is expressly understood and agreed that this Purchase Order Assignment is executed by Trust Company for USL, Inc., not individually or personally but solely as Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee (and Trust Company for USL, Inc. hereby warrants that it possesses full power and authority to enter into and perform this Purchase Order Assignment), that each and all of the representations, undertakings and agreements herein made on the part of the Trustee are each and every one of them made and intended not as personal representations, undertakings and agreements by the Trustee or the Trustor, or for the purpose or with the intention of binding the Trustee or the Trustor personally, but are made and intended for the purpose of binding only the Trust Estate as defined in the Trust Agreement; that this Purchase Order Assignment is executed and delivered by the Trustee solely in the exercise of the powers expressly conferred upon the Trustee under the Trust Agreement; that actions to be taken by the Trustee pursuant to its obligations hereunder may, in certain instances, be taken by the Trustee only upon specific authority of the Trustor; that nothing herein contained shall be construed as creating any liability on the Trustee or the Trustor, individually or personally, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, Trust Company for USL, Inc. or the Trustor, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the Lessee and by any person claiming by, through or under the Lessee, and that so far as the Trustee or the Trustor, individually or personally are concerned, the Lessee and any person claiming by, through or under the Lessee shall look solely to the Trust Estate for the performance of any obligation under any of the instruments referred to herein. The term "Trustee" as used in this Purchase Order Assignment shall include any trustee succeeding the Trustee under the Trust Agreement or the Trustor of the trust created thereby is reached. Any obligation of the Trustee hereunder may be performed by the Trustor, and any

such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Purchase Order Assignment shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Trustee thereunder.

Section 8. CONSENT AND AGREEMENT.

It is a condition to the payment obligation of the Trustee that the Manufacturer and Tank Lining shall execute a Consent and Agreement in substantially the respective forms attached hereto as Exhibit B-1 and B-2 prior to the First Delivery Date (as defined in the Participation Agreement).

Section 9. INVESTMENT CREDIT.

The Trustee hereby agrees and covenants that it will in accordance with Section 48(d) of the Internal Revenue Code of 1954, as amended (the Code) make a timely and proper election to treat the Lessee as having acquired the Equipment for purposes of the investment tax credit provided by Section 38 (and related Sections) of the Code so that the Lessee may receive the benefit of such credit to the extent it is available; provided, however, that the Lessee shall be solely responsible for the preparation, and the form and sufficiency, of all documents necessary to effect such election.

Section 10. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, but the counterpart delivered to the Secured Party shall be deemed to be the original counterpart.

Section 11. GOVERNING LAW.

This Agreement, and all of the rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have executed

this Assignment.

TRUST COMPANY FOR USL, INC.,
not individually but solely as
trustee under DIAMOND SHAMROCK
TRUST NO. 2

[CORPORATE SEAL]

ATTEST:

By _____

_____

[CORPORATE SEAL]

ATTEST:

DIAMOND SHAMROCK CORPORATION

T. Martin
Assistant Secretary

By D C Miller
Treasurer

STATE OF :
: SS
COUNTY OF :

On this _____ day of May, 1978, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is a _____ of TRUST COMPANY FOR USL, 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 as trustee by authority of its Broad of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation as trustee.

_____
Notary Public

(SEAL)

STATE OF Ohio :
: SS
COUNTY OF Cuyahoga :

On this 5th day of May, 1978, before me personally appeared D. C. Mielke, to me personally known, who being by me duly sworn, says that he is a Treasurer of DIAMOND SHAMROCK CORPORATION, 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.

Timothy Jon Fretthold
Notary Public

(SEAL)

TIMOTHY JON FRETTHOLD, Attorney
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date.
Section 147.03 R.C.

Exhibit A

ACF INDUSTRIES
INCORPORATED
750 THIRD AVENUE, NEW YORK, N. Y. 10017, (212) 986-8600, CABLE ADDRESS: ACFUSA

April 18, 1978

Mr. E. J. Willcox
Diamond Shamrock Corp.
1100 Superior Avenue
Cleveland, Ohio 44115

Your Order
100 CF-5250 Center Flow
Covered Hopper Cars
ACF Lot 12-01634

Dear Mr. Willcox:

Many thanks for your order to Jack Palmore of our St. Charles office for 100 - 5250 CF covered hopper cars. Fifty cars will be priced at $34,200 per car plus escalation and fifty at $34,200 plus $3,850 for aerator pads plus escalation.

Per agreement between your Company, United States Lease Financing, Inc., and ACF, the first 50 cars will be settled for on June 1, 1978, and the last 50 cars will be settled for on June 30, 1978.

For tax reasons, your checking with our Marketing people prior to establishing the delivery points of these cars is requested. Upon your request our Tax Department in New York would be glad to work out with you mutually satisfactory delivery points.

Following customary practice, the provisions of our standard exhibit A, a copy of which was a part of our November 16, 1977 proposal package, will apply to your order.

Assuming this is agreeable to you, your signing and returning the duplicate copy of this letter is requested and would be appreciated.

Sincerely,

J. D. Brinkerhoff
Senior Vice President

rwm:sm

ACCEPTED:
DIAMOND SHAMROCK CORP.

By_____ Title_____ Date_____

cc: Mr. James Halow
United States Lease Financing, Inc.
633 Battery Street
San Francisco, California 94111

Mr. W. Blair Jones
ACF - Ohio

Mr. Jack Palmore
ACF - St. Charles

ADDENDUM IV

Inq. # 77-CLV-59-LP - Revision "A"

Lot # _____

Contract # _____

ESCALATION CLAUSE

* CONTINUOUS DELIVERY PATTERN

SALE

Quoted Price = $34,200.00 Per Car plus _____ Per Car for lining.

This quoted price is subject to increase or decrease in accordance with the following:

Selling Price = Quoted Price ± Escalation Amount

Escalation Amount = 0.7 x Quoted Price x "C"

Where:

"C" = The percent change in the Bureau of Labor Statistics Wholesale Price Index for "Iron and Steel", Code 101, between starting and ending levels defined as follows:

Starting Level of Index = The average of the indexes for the three months prior to the month of this quotation. Therefore, it is agreed that the index level from which the percent change will be measured is 1/3 (233.1 (Aug. '77) + 235.7 (Sept. '77) + 234.2 (Oct. '77)) = 234.3

* Ending Level of Index = The average of the indexes for the three months prior to the month containing the weighted average date of actual Shipment to the Customer.

* CONTINUOUS DELIVERY PATTERN is defined as a series of shipments in which at least one car is shipped in each consecutive calendar month. If a calendar month passes without any shipment, the "Continuous Delivery Pattern" will terminate and a final escalated price will be determined for the cars shipped up to that time. Subsequent shipments on the lot will have a different Ending Level of Index.

Exhibit B-1

CONSENT AND AGREEMENT

The undersigned, ACF Industries Incorporated, a New Jersey corporation (the Manufacturer), acknowledges receipt of a copy of the Purchase Order Assignment dated as of April 1, 1978 (the Assignment) between Trust Company for USL, Inc., as trustee (the Trustee) under a Trust Agreement dated as of April 1, 1978, and Diamond Shamrock Corporation, a Delaware corporation (the Lessee), and as an inducement to and as part of the consideration for the performance by the parties thereto of their obligations thereunder:

1. Consents to the assignment by the Lessee to the Trustee of all of the Lessee's rights and interests in and to the Purchase Order (as defined in the Agreement) of the Manufacturer as said Order relates to the Items of Equipment (as defined in the Assignment) on the terms set forth in the Assignment.

2. Agrees that on the date on which any Items of Equipment are delivered by the Manufacturer to the Lessee under the Equipment Lease (the Lease) referred to, and defined in, the Assignment, title to the Items of Equipment shall vest in the Trustee; and that on each Closing Date the Manufacturer will deliver each of the following documents, in form and substance satisfactory to the Secured Party (as defined in the Assignment) and its special counsel, Messrs. Pepper, Hamilton & Scheetz:

(i) A bill or bills of sale for all Items of Equipment dated the date of delivery and signed by the Manufacturer transferring to the Trustee title to such Items of Equipment and warranting to the Trustee and the Note Purchasers (as defined in the Assignment) that, at the time of delivery of each Item of Equipment to the Lessee, the Manufacturer had legal title thereto and good and lawful right to sell such Equipment, and such Equipment was free of all claims, liens and other encumbrances of any nature whatsoever, except only the rights of the Lessee under the Lease and the Secured Party under the Security Agreement (as defined in the Assignment), and covenanting to defend such title to said Items of Equipment against demands of all persons whomever based on claims originating prior to delivery of such Equipment by the Manufacturer under its Purchase Order;

(ii) An invoice or invoices of the Manufacturer for the Items of Equipment accompanied by or having endorsed thereon a certification by the Lessee as to its approval thereof; and

(iii) An opinion of counsel for the Manufacturer that this Consent and Agreement, the Purchase Order of the Manufacturer and said bill or bills of sale have been duly authorized, executed and delivered by the Manufacturer and constitute the legal, valid and binding obligations of the Manufacturer enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and similar laws affecting creditors' rights generally and each bill of sale is valid and effective to transfer, and does transfer, good title to each Item of Equipment specified thereon to the Trustee free and clear of all claims, liens and other encumbrances, except only the rights of the Lessee under the Lease and the rights of the Secured Party under the Security Agreement.

3. Agrees prior to each delivery to cause each Item of Equipment to be plainly, distinctly, permanently and conspicuously marked upon each side of each Item of Equipment in letters not less than one inch in height as follows:

> "Leased from a Bank or Trust Company,
> as Trustee, and subject to a Security
> Interest recorded with the I.C.C."

4. Except in cases of articles or materials specified by the Lessee and not manufactured by the Manufacturer and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by the Manufacturer and except in the case of the lining process of Tank Lining (as defined in the Assignment), the Manufacturer agrees to indemnify, protect and hold harmless the Trustee, the Trustor (as defined in the Assignment), the Note Purchasers (as defined in the Assignment) and the Lessee from and against any and all liability, claims, costs, charges and expense, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Trustee, the Trustor, the Note Purchasers and the Lessee, their assigns or the users of its Equipment, because of the use in or about the construction or operation of any of its Equipment of any design, system, process, formula, combination, article or material

which infringes or is claimed to infringe on any patent or other right. The Trustee, the Trustor, the Note Purchasers and the Lessee will give prompt notice to the Manufacturer of any claim known to them, respectively, from which liability may be charged against the Manufacturer hereunder. At its expense and cost, the Manufacturer with its counsel shall defend such claim. The Trustee, the Trustor (as defined in the Assignment), the Note Purchasers and the Lessee shall provide such information as they may possess reasonably to enable the Manufacturer to defend such claim. The Manufacturer agrees to and hereby does, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, assign, set over and deliver to the Trustee, the Trustor, the Note Purchasers and the Lessee every claim, right and cause of action which the Manufacturer has or hereafter shall have against the seller or sellers of any designs, systems, processes, formulae, combinations, articles of materials specified by the Lessee and purchased or otherwise acquired by the Manufacturer for use in or about the construction or operation of any of its Equipment on the ground that any such design, system, process, formula, combination, article or material or operation thereof infringes or is claimed to infringe on any patent or other right. The Manufacturer further agrees to execute and deliver to the Trustee, the Trustor, the Note Purchasers and the Lessee or the users of its Equipment all and every such further assurance as may be reasonably requested more fully to effectuate the assignment and delivery of every such claim, right and cause of action. Such covenants of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due pursuant to the Purchase Order Assignment, or the satisfaction, discharge or termination of the Purchase Order Assignment in any manner whatsoever.

Dated: _____, 1978

ACF Industries Incorporated

By_____

EXHIBIT "A"

C O N D I T I O N S

DELIVERY: Our obligations with respect to delivery are made expressly subject to rescheduling of shop space and delays due to strikes, differences with workmen, labor troubles, acts of God, Governmental acts and regulations, war or war conditions, riots or civil commotion, sabotage, fires, floods, explosions or other accidents, or to delays of carriers or of subcontractors or in receipt of materials, or to delays occasioned by or arising in connection with the construction of other cars or products for our other customers which are contracted to be constructed at said plant prior to the construction of the cars covered by this proposal, or to any other cause or causes (whether or not of the same general character as those herein specifically enumerated) beyond our reasonable control.

PATENTS: It is understood and agreed that we shall assume all responsibility for and save you harmless from any and all damages, costs, royalties and claims arising out of charges of infringement of United States patents which may be alleged to cover said cars, articles, or parts thereof, excepting those patents covering the manufacture, sale or use in said cars, articles, or parts thereof, of designs, devices, parts, arrangements, specialties and equipment furnished or specified by you and as to such excepted United States patents you shall in like manner assume responsibility and save us harmless. Prompt notice in writing shall be given by each party to the other of any claim of patent infringement presented to such party with respect to said cars, articles, or parts thereof, and the party responsible for such infringement as above provided, shall promptly undertake and assume the defense thereof.

TAXES: It is understood that the prices quoted herein do not include sales, use, excise or similar taxes; in the event any such tax is imposed upon the transaction herein by a Federal, State, Municipal or other Governmental authority, it shall be paid by the purchaser unless he provides us with a tax exemption certificate acceptable to the Governmental authority imposing such tax.

WARRANTY: We will warrant to you that each Car will be free from defects in material (except as to articles or materials incorporated therein which have been furnished by you or by a supplier or suppliers specified by you) and workmanship under normal use and service; our obligation with respect to any Car to be limited to repairing or replacing at our plant any part or parts of such Car which shall, within one year after the delivery of such Car, be returned to us with transportation charges prepaid, and which our examination shall disclose to our satisfaction to have been defective. We shall not be liable for any damages, whether direct, indirect or consequential except as aforesaid. *This warranty is expressly in lieu of all other warranties expressed or implied, including any warranty of merchantability or fitness for a particular purpose.*

This proposal is authorized by our Executive Office. Any contract arising out of this proposal shall be binding only after approval at our Executive Office.

This proposal is limited to acceptance within thirty days from this date.

Requisitioner

To Be Used For

Deliver To

Buyer Code, Mat'l Code, U/M

Quantity Received			Division and Account Code
1	2	3	

Acknowledgement

Will Ship

Remarks

Purchase Order

Ship To • Mr. James Falow
United States Lease Financing, Inc.
633 Battery Street
San Francisco, California 94111

Vendor • Tank Lining Corporation
P. O. Box H
Oakdale, Pennsylvania 15071

Diamond Shamrock

[illegible] DIAMOND SHAMROCK CORPORATION
TRANSPORTATION & DISTRIBUTION
[illegible] AVENUE
CLEVELAND, OHIO [illegible]

Vendor separate invoices in duplicate for each order number.

Invoices, correspondence and other papers should be sent to the address printed above.

P. O. Date	Terms
February 9, 1978	

F.O.B.
Houston, TX

Ship Via
O P E N

Purchase Order Number TR-125822

Stock or Requisition No.	Item	Quantity Required	U/M	Description	Price
				XEM 5250 c.f. PVC Cars	
		100		DAX 2001 thru DAX 2101	
				Application of Amercoat 320 Liners @ $1,475.00 per car.	
				NOTE: Invoices to be handled through U. S. Lease Financing, Inc.	

Supply the foregoing in exact accordance with the terms and conditions set forth on back hereof. All of which by acceptance of this order, you hereby expressly agree to observe and perform.
IMPORTANT: Acknowledgment, Invoice, Correspondence and each package, case, etc. must bear the above order number. Each invoice and packing slip must show our stock number opposite each item billed.
The Seller represents and certifies by acceptance of this order that it is in complete compliance with all of the applicable Executive Orders and rules and regulations of the Economic Stabilization Act of 1970, as amended. Further, Seller warrants that the amounts invoiced under this contract or order do not exceed the specific contract or order prices.

Diamond Shamrock Corporation

For [illegible]

[illegible]

[illegible] rants that the use or sale of the articles covered by this order does not infringe any United States patent covering said articles, and Seller [illegible] tect and save harmless the Buyer from all costs, [illegible] or damages arising out of alleged infringement of patents by the use or sale of [illegible] Buyer assumes all risks [illegible]

[illegible] that it has complied with federal, state, municipal and other laws and regulations (including [illegible] 1938, as amended) applying to [illegible] all goods and delivery, if delivery [illegible] he under comply with regulations pursuant to the Occupational Safety and Health Act of 1970.

[illegible] Opportunity Employer [illegible] Executive Order [illegible] 240 is amended and including rep[illegible]

[illegible] the performance of the contract [illegible] as follows:

[illegible] will not discriminate against any employee or applicant for employment because of race, [illegible] firmative action to ensure that applicants are employed, and that the employees are treated during em[illegible] , color, or national origin. Such action shall include, but not be limited to the following: Emp[illegible] ruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation; and selection for training, [illegible] prenticeship. Seller agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by [illegible] ting officer setting forth the provisions of this nondiscrimination clause.

The Seller will, in all solicitations or advertisements for employees placed by or on behalf of the Seller, state that all qualified applicants will [illegible] consideration for employment without regard to race, religion, sex, color or national origin.

The Seller will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract [illegible] nding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the Seller's [illegible] ments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available [illegible] all applicants for employment.

The Seller will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant [illegible] of the Secretary of Labor.

The Seller will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, [illegible] of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the [illegible] of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible] Buyer [illegible]

[illegible] time of shipment, items covered by [illegible] to inspection [illegible] expense to reject and return to [illegible] with the terms and conditions of this order, without [illegible] of the [illegible]

[illegible] this order, material must not be billed at a price higher than last paid without notice to Buyer and Buyer's written acceptance [illegible]

[illegible] made on sightdraft shall not be accepted, and in the event of any such shipment, Seller shall stand any expense incurred through his failure [illegible] with this condition.

[illegible] Buyer shall be liable for failure or delay in the performance of this Agreement to the extent that Seller's ability to produce or deliver the [illegible] said merchandise, or Buyer's ability to consume such merchandise, is hindered or prevented, directly or indirectly, by war, acts of enemies, national [illegible] emergency; sabotage; revolution or other disorders; failure or delay of transportation; inability to secure raw materials or supplies, fuel or power; fire, flood, windstorm, or other acts of God; strikes, lockouts, or other labor disturbances; orders or acts of any government or governmental agency or authority; interference by civil or military authority; or any cause of like or different kind beyond its reasonable control.

[illegible] expressly limits acceptance of this order to the terms and conditions set forth herein and any additional or different terms or conditions which [illegible] shall in Seller's acknowledgement or confirmation of this order or contract [illegible] between Buyer and Seller unless Buyer expressly agrees to in writing thereto. This contract or order, [illegible] nature, [illegible] of the parties, it may not be modified or terminated orally and no claim to a modification, rescision or waiver shall be binding on Buyer unless signed in writing by Buyer.

[illegible] or method of transportation, other than that specified on the face of our order, is used, additional transportation costs resulting therefrom [illegible] be for Seller's account.

[illegible] reproduction of drawings, furnished for any [illegible] Buyer [illegible] Seller's [illegible] such reproduction shall not be [illegible] order of the Company, its [illegible] and [illegible]

[illegible] promptly notified Seller that any specifications, [illegible] drawings, and other information furnished to Seller by Buyer in connection with [illegible] and [illegible] shall be treated by Seller and by Seller's [illegible] as confidential, and to be used by Seller and Seller's employees only for the purpose of performing this order [illegible] no disclosure thereof to anyone other than employees of other companies [illegible] order [illegible] except to direct [illegible] in connection with this [illegible] of the [illegible] of the [illegible] of the

Exhibit B-2

CONSENT AND AGREEMENT

The undersigned, Tank Lining Corp., a Pennsylvania corporation (Tank Lining), acknowledges receipt of a counterpart of the Purchase Order Assignment dated as of April 1, 1978 (the Assignment) between Trust Company for USL, Inc., as trustee under a Trust Agreement dated as of April 1, 1978 (the Trustee) and Diamond Shamrock Corporation, a Delaware corporation (the Lessee), and as an inducement to and as a part of the consideration for the performance by the parties thereto of their obligations thereunder:

1. Consents to the assignment by the Lessee to the Trustee of all of its rights and interests in and to the Purchase Order (as defined in the Assignment) of Tank Lining in connection with the application of the two-coat interior lining to each of the Items of Equipment (as defined in the Assignment) on the terms set forth in the Assignment.

2. Agrees to indemnify and save the Trustee, the Trustor (as defined in the Assignment) the Lessee and the Note Purchasers (as defined in the Assignment) harmless from any liability, loss, damage, claim and expense which may arise out of any claims for patent infringement relative to the lining process.

3. Agrees that on each Closing Date it will deliver each of the following documents, in form and substance satisfactory to the Secured Party (as defined in the Assignment) and its special counsel, Messrs. Pepper, Hamilton & Scheetz:

(i) An invoice or invoices of Tank Lining accompanied by or having endorsed therein a certification by the Lessee as to its approval thereof;

(ii) An opinion of counsel for Tank Lining that this Consent and Agreement and the Purchase Order of Tank Lining are legal, valid and binding contracts, enforceable against Tank Lining in accordance with their terms, except as may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally.

Dated: _____, 1978

Tank Lining Corp.

By_____

As it now stands, we will want most of these cars forwarded directly to our Deer Park Plant at Houston, Texas; however, we will give you actual disposition instructions as the cars become available.

Very truly yours,

E. J. Willcox, Manager
Rail Fleet

EJW:ma

Enclosure

cc: Mr. James Ealow
United States Lease Financing, Inc.
633 Battery Street
San Francisco, California 94111

February 9, 1978

Mr. Frank D. Lester
Vice President - Sales
Tank Lining Corporation
P. O. Box H
Oakdale, Pennsylvania 15071

Dear Mr. Lester:

This has reference to our recent telephone conversation concerning our pending order for 100 newly constructed 5250 c.f. center flow covered hopper cars that are being acquired for PVC service. We had earlier advised you there would be a total of 125 cars, but as indicated on February 7, this has been reduced to only 100 cars. These cars are being built by ACF Industries and are scheduled to start coming off the production line beginning the last week in March at the rate of five cars per day. The last 50 cars constructed will be equipped with air pads.

You indicated in our conversation on January 13 that shop space has been reserved at Oakdale for 100 cars and providing the cars are forwarded from Milton, PA on schedule, they will start coming out of Oakdale the week of April 17 on the following schedule: 12 cars the week of April 17; 10 cars the week of April 24; 12 cars the week of May 1; 10 cars the week of May 8 and so on through the week of June 12, 1978. You indicated that there may be a possibility the last 25 cars could be lined at Paris, TN which may permit getting them in service one or two weeks earlier than if they are lined at Oakdale. We will discuss this further as we get closer to the date they will be coming out of Milton.

All 100 cars are to be equipped with Amercoat 320 liners at the confirmed price of $1,475.00 per car. These cars are being acquired under a leverage lease arrangement through United States Lease Financing, Inc. They will carry DAX reporting marks and will be numbered 2001 thru 2101. While we are enclosing a purchase order covering the application of these liners, your invoices will be handled through U. S. Leasing and you will be contacted by U. S. Leasing concerning details.

continued.....

November 11, 1977

FIRM PURCHASE PROPOSAL - Inquiry 77-CLV-59-LP - Revision "A"

FOR: DIAMOND SHAMROCK CHEMICAL COMPANY

With respect to the referenced inquiry, we are pleased to submit the following purchase proposal:

For 115 - 100 Ton Roller Bearing CF 5250 Center Flow® covered hopper cars, equipped with 20" hatches and #5131 Pneumatic outlets, built generally to specification no. SCL-CF-SS2 Rev. 4/77, for the transportation of PVC, our selling price is $34,200.00 per car F.O.B. ACF Works, Huntington, West Virginia.

The above selling price is for unlined cars.

The above price is subject to escalation at the time of delivery in accord with addendum IV attached. We reserve the right to bill the quoted price plus interim escalation computed using the latest released indexes, and the cars will be invoiced as shipments are made and paid for at such price. Any difference between the aggregate of the initial billings of all cars shall be paid upon issuance of the final invoice.

If the cars are lined, the lining applicator shall perform all work in connection with the installation of the interior protective coating, as specified by you in accordance with your specifications or the applicable specifications of the manufacturer of such coating as the case may be. As consist and quality of such coating materials are under manufacturer's sole control, Shippers Car Line cannot warrant the quality of any such lining or its fitness for any particular purpose. If the applicator is other than Shippers Car Line, that applicator is responsible to you for any warranty, and any sale or lease resulting from this proposal shall be upon this understanding, whether or not set forth in any purchase order lease or other instrument. Any freight charges for movement of cars to and from the lining plant will be for your account.

The conditions which apply to this proposal are outlined in the attached Exhibit "A" which is a party hereof.

Terms of this proposal are net cash per car as delivered.

Subject to delays due to usual contingencies beyond our control and subject also to prior sale of shop space, shipment of the unlined cars can commence during February/March 1978 to the liner, with inspection and final approval to be made at Amcar Division Works - ACF Industries, Inc. - Huntington, West Virginia prior to shipment, and then consigned to you at a point or points outside the State of West Virginia.

This proposal is submitted for acceptance within thirty (30) days from the date hereof.

November 11, 1977

FIRM PURCHASE PROPOSAL - Inquiry 77-CLV-59-LP - Revision "A"

FOR: DIAMOND SHAMROCK CHEMICAL COMPANY

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The conditions which apply to this proposal are outlined in the attached Exhibit "A" which is a party hereof.

Terms of this proposal are net cash per car as delivered.

Subject to delays due to usual contingencies beyond our control and subject also to prior sale of shop space, shipment of the unlined cars can commence during February/March 1978 to the liner, with inspection and final approval to be made at Amcar Division Works - ACF Industries, Inc. - Huntington, West Virginia prior to shipment, and then consigned to you at a point or points outside the State of West Virginia.

This proposal is submitted for acceptance within thirty (30) days from the date hereof.

ACF INDUSTRIES
INCORPORATED
SHIPPERS CAR LINE DIVISION
SUITE 204, OPA MEREA COMMONS, MEREA, OHIO 44017 • OHIO (216) 243-[illegible] • PITTSBURGH (412) 381-[illegible]

November 16, 1977

Cover memo to proposal dated November 11, 1977.
H. Lipford

Mr. E.J. Willcox
Diamond Shamrock Corporation
1100 Superior Avenue
Cleveland, Ohio 44114

SUBJECT: Inquiry 77-CLV-59-LP, Rev. "A"

Dear Jay:

In reply to your request to furnish you a quotation, we are pleased to enclose herewith our Firm Rental and Firm Purchase Proposals covering 115 - 100 Ton Roller Bearing CF 5250 Center Flow covered hopper cars equipped with 20" hatches and #5131 Pneumatic outlets, built generally to specification No. SCL-CF-SS2 Rev. 4/77 for the transportation of PVC.

These proposals are submitted for acceptance within thirty (30) days from the date on the proposals.

We appreciate this opportunity to submit these proposals, and will await your further advice in this matter.

Sincerely yours,

W. Blair Jones / RAR

W. Blair Jones
District Sales Manager

WBJ/kb

Enc.

Price good till 12-31-77
delivery March-April to Lenin applicator } per Blair Jones 12-15-77

SCHEDULE C

SCHEDULE OF CASUALTY VALUES

Rental Payment Date	Percentage of the Purchase Price
January 15, 1995	58.235
July 15, 1995	54.611
January 15, 1996	50.984
July 15, 1996	47.352
January 15, 1997	43.752
July 15, 1997	39.158
January 15, 1998	35.612
July 15, 1998	30.944
January 15, 1999	25.000

* The Purchase Price means the Purchase Price as defined in Section 1 of the Participation Agreement referred to in the foregoing Lease.

ACF INDUSTRIES
INCORPORATED
750 THIRD AVENUE, NEW YORK, N. Y. 10017, (212) 986-8600, CABLE ADDRESS: ACFUSA

April 18, 1978

Mr. E. J. Willcox
Diamond Shamrock Corp.
1100 Superior Avenue
Cleveland, Ohio 44115

Your Order
100 CF-5250 Center Flow
Covered Hopper Cars
ACF Lot 12-01634

Dear Mr. Willcox:

Many thanks for your order to Jack Palmore of our St. Charles office for 100 - 5250 CF covered hopper cars. Fifty cars will be priced at $34,200 per car plus escalation and fifty at $34,200 plus $3,850 for aerator pads plus escalation.

Per agreement between your Company, United States Lease Financing, Inc., and ACF, the first 50 cars will be settled for on June 1, 1978, and the last 50 cars will be settled for on June 30, 1978.

For tax reasons, your checking with our Marketing people prior to establishing the delivery points of these cars is requested. Upon your request our Tax Department in New York would be glad to work out with you mutually satisfactory delivery points.

Following customary practice, the provisions of our standard exhibit A, a copy of which was a part of our November 16, 1977 proposal package, will apply to your order.

Assuming this is agreeable to you, your signing and returning the duplicate copy of this letter is requested and would be appreciated.

Sincerely,

J. D. Brinkerhoff
Senior Vice President

rwm:sm

ACCEPTED:
DIAMOND SHAMROCK CORP.

By_____ Title_____ Date_____

Interstate Commerce Commission

Washington, D.C. 20423

5/9/78

OFFICE OF THE SECRETARY

James A. Ounsworth
Pepper, Hamilton & Scheetz
123 South Broad Street
Philadelphia, Pennsylvania 19109

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 5/9/78 at 1:10pm, and assigned recordation number(s) 9366, 9366-A & 9366-B

Sincerely yours,

H.G. Homme, Jr.
Acting Secretary

Enclosure(s)

SE-30-T
(6/77)