PLM RAILCAR MANAGEMENT INC.
A Subsidiary of PLM, INC
50 California Street
San Francisco, California 94111
415/989 1860
Telex 34430

RECORDATION NO. 8907 Filed 1425

DEC 14 1978 - 9 45 AM

INTERSTATE COMMERCE COMMISSION

November 11, 1978

No. 8-348A010
Date DEC 14 1978
Fee $50.00
ICC Washington, D. C.

Interstate Commerce Commission
Interstate Commerce Building
Washington, DC 20044

RE: PLM Railcar Management, Inc.

Ladies and Gentlemen:

You are hereby requested to record the original and two certified copies of the enclosed Management Agreement. Enclosed is a check in the amount of $50.00 in payment of your recordation fee.

Under the Management Agreement, Mr. Stephen H. Achtenhagen, who resides at 25420 Crescent Lane, Los Altos Hills, Calif. 94022, as owner, grants to PLM Railcar Management, Inc., a California corporation, whose principal business address is at 50 California Street, San Francisco, Calif. 94111, the right to manage the equipment hereinafter described in this letter, to collect amounts due to or on behalf of owner with respect to such equipment and to disburse funds of owner to pay costs, expenses and obligations of owner with respect to such equipment, all as set forth therein.

The above described agreement relates to railway equipment consisting of two (2) 4,000 cubit foot capacity 100 ton trucks, high-slide, solid-bottom gondola coal cars, road numbers PLMX 5081 and PLMX 5082.

When recorded, the documents should be returned to:

Joseph S. Radovsky, Esq.
Bronson, Bronson & McKinnon
555 California Street
San Francisco, CA 94104

Very truly yours,

PLM RAILCAR MANAGEMENT, INC.

By Charles J. Lauder

RECEIVED
DEC 14 9 37 AM '78
I.C.C.
FEE OPERATION BR.

Enclosure

Interstate Commerce Commission
Washington, D.C. 20423

12/14/78

OFFICE OF THE SECRETARY

Joseph S. Radovsky, Esq.
Bronson, Bronson & MCKinnon
555 California Street
San Francisco, Calif. 94104

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 12/14/78 at 9:45am, and assigned recordation number(s) 9907.

Sincerely Yours,

H.G. Homme, Jr.,
Secretary

Enclosure(s)

SE-30-T
(2/78)

THIS AGREEMENT made as of JULY 17 1978 by and #9907
between PLM Railcar Management, Inc., a California corporation (hereinafter called "RMI"), and STEPHEN H. ACHENHAGEN
(hereinafter called the "Owner").

RECITALS

Owner has purchased the cars set forth in the attached Exhibit "A-1", which is incorporated herein by reference (such car or cars hereinafter referred to as the "Cars"). RMI engages in the business of managing railcars for railcar owners, and Owner desires to retain RMI as his agent for the purpose of managing the Cars on Owner's behalf upon the terms and conditions set forth herein.

ACCORDINGLY, IT IS AGREED AS FOLLOWS:

1. Engagement Of RMI.

Owner hereby engages RMI as his agent to manage the Cars upon the terms and conditions set forth herein, and RMI accepts such engagement and agrees to perform in accordance with the terms and conditions hereof. RMI's role under this Agreement is agreed to be that of an independent contractor and not of a partner, joint venturer, or employee.

2. Term.

The term of this Agreement and the agency created hereby shall commence as of the date of this Agreement, and shall continue for a period of five years and six months. The foregoing to the contrary notwithstanding, this Agreement shall terminate with respect to any Car which is lost, sold or totally destroyed as of the date of that event.

3. Duties Of RMI.

In consideration of the compensation to be paid to RMI by Owner pursuant to paragraph 5 hereof, and subject to the agreement of Owner to reimburse RMI pursuant to paragraph 7, hereof, RMI shall provide and perform the services on behalf of Owner set forth below during the term of this Agreement:

(a) Immediately upon execution, or as soon thereafter as reasonably practicable, take possession of the Cars as agent for Owner for the purpose of managing and operating the Cars, as herein provided.

(b) Use its best efforts to keep such Cars under lease for the term of this Agreement, entering into, as agent for Owner, lease agreements providing for the lease of the Cars to shippers, railroads, or other financially responsibility parties for that purpose on terms and conditions which are customary in the industry and taking such steps as may be required to insure that all obligations and duties arising under such leases, whether of lessor or lessees, are performed or complied with in an orderly and timely fashion.

(c) Use its best efforts to insure that all steps are taken which may be necessary to have the Cars registered and accepted by all hauling carriers under the Association of American Railroads ("AAR") as required by the terms of any lease or otherwise.

(d) Collect all rental payments and mileage allowances due with respect to the Cars, identifying itself as agent for that purpose, and account for and remit all sums due to Owner as hereinafter provided.

(e) Terminate leases and recover possession of Cars and enforce all rights of the Owner with respect thereto, including the payment of all amounts owed under the lease or otherwise with respect to the Cars as shall be appropriate or necessary in the judgment of RMI exercised in good faith; and institute and prosecute legal proceedings in the name of Owner as is permitted by applicable laws in order to terminate such leases and/or recover possession of the Cars; and, when expedient, settle, compromise and/or release such actions or suits or reinstate such leases.

(f) Use its best efforts to arrange to have the Cars maintained in good condition, which shall be equal to or greater than the higher of (i) any standard required or set forth for the Cars or cars of a similar class by the AAR, (ii) any standard set by a lessee, whether by terms of a lease or by other understanding or agreement between lessee and RMI, as agent for Owner, or (iii) any standard set by any insurance policy under which the Cars or any of them shall from time to time be insured, and to arrange for all alterations, additions or improvements to the Cars to comply with applicable laws, or regulations. In this regard, RMI anticipates that it will enter leases which place the responsibility for routine maintenance on the lessee and that each lessee will enter a maintenance contract with RMI's affiliated corporation Railcar Maintenance Company, under the terms of which routine maintenance would be performed on the Cars at a cost to the lessee of usually at least two and three-quarters cents (2 3/4¢) per loaded and empty mile traveled by each Car. RMI will oversee this contract on behalf of owner.

(g) Use its best efforts to purchase in Owner's name insurance, including, without limitation, insurance against (i) personal liability, including property damage and personal injury, (ii) loss of or damage to the Cars, and (iii) loss of revenues with respect to the Cars, as shall be reasonably available to protect the interest of Owner in the Cars, and cause RMI, in its capacity as agent for Owner, to be named in each such policy of insurance as a co-insured or additonal insured; provided however, that if RMI determines that the cost of insurance described above is unreasonally high, or can not be obtained, it shall so notify the Owner. The owner then may attempt to purchase such insurance, in which event, such expense shall not be treated as a pooled expense, and the Owner shall be responsible for paying for any premiums therefor.

(h) Pay in Owner's name all personal property taxes and other taxes, charges, assessments, or levies imposed upon or against the Cars of whatever kind or nature and, in RMI's discretion, defend against any such charges and to seek revision or appeal from any assessment or charge deemed improper, all such actions to be in the name of Owner.

(i) Monitor and record movement of the Cars.

(j) Maintain complete and accurate records of all transactions relating to the Cars and make such records available for inspection by the Owner or any of his representatives during reasonable business hours.

(k) Paint the Cars such colors and with such designs as RMI may from time to time approve and place reporting marks or such other marks, legends, or placards on the Cars as shall be appropriate or necessary to comply with any regulation imposed by the AAR.

(l) Prepare and provide to Owner unaudited quarterly and annual reports of income and expenses and such other information in connection with the Cars as Owner may from time to time reasonably request.

(m) Provide Owner with advice and recommendations concerning the sale of the Cars.

(n) Perform for Owner such other services incidental to the foregoing as may from time to time be reasonably necessary in connection with the leasing and operation of the Cars.

4. Pooling Of Income And Expenses.

(a) RMI will manage 50 cars in one pool. The road numbers assigned to these cars are set forth in Exhibit "A-1" for Owner and the other owners, if any, under The Coal Car Management Program of 1978 ("1978 Program"). The actual Gross Revenues (as hereinafter defined) derived from the operation of the Cars and the actual Operating Expenses (as hereinafter defined) shall be accounted for and combined together with all Gross Revenues and Operating Expenses derived from and incurred by all cars managed under the 1978 Program. The Gross Revenues and the Operating Expenses attributable to the Cars shall be deemed to be that proportion of the entire Gross Revenues and Operating Expenses attributable to all cars under the 1978 Program which the Cars bear to the total number of such cars.

(b) As used in this Agreement, the term "Gross Revenues" shall mean all income to Owner (unreduced by any expenses or costs) derived from the ownership, use and/or operation of the Cars including, but not limited to, minimum rentals and mileage charge collected under leases and mileage allowances, if any, not credited to a lessee. "Operating Expenses" shall mean all expenses and costs incurred in connection with the ownership, management, use and/or operation of Cars, including, but not limited to maintenance and repairs not paid for by lessees, painting, cost of modifications and improvements not excluded by Section 4(c), legal fees incurred in connection with enforcing lease rights or repossessing Cars, insurance, personal property taxes as described in Section 4(d), charges, assessments, or levies imposed upon or against Cars of whatever kind or nature and losses from liabilities not covered by insurance up to the lesser of (1) $25,000 per occurrence per Car liability for bodily injury and $25,000 per occurrence per car for liability for property damage or (2) the amount of the deductible under any Liability insurance on the Car; provided further that any other losses from third party liability for bodily injury or property damage not covered by insurance shall not be a pooled expense and shall be the sole responsibility of the Owner of the Car which caused the liability.

(c) In the case of damage to any Car or other circumstance whereby payments, including without limitation, insurance benefits or railroad indemnity payments, are received to cover the loss of rental payments or damage to a Car, these amounts shall be included in the term Gross Revenues hereinabove referred to; provided, however, that any amount received as a result of the loss or total destruction of a Car shall be paid to Owner and shall not be included within the term Gross Revenues and, correspondingly, the costs of repair or replacement in such circumstances shall be the

responsibility of owner and shall not be included within the term Operating Expenses. In the event any improvements or modifications to the Cars are required by the AAR, Department of Transportation or some other regulatory authority, the cost of such improvements or modifications shall not be treated as an Operating Expense and shall be the sole responsibility of the Owner of the Car to which the improvements or modifications are made.

(d) Owner agrees to pay his pro rata share of that portion of the aggregate ad valorem, gross receipts, and other property taxes levied against all cars bearing "PLMX" reporting marks as RMI determined to be attributable to the 1978 Program. Owner acknowledges that it may not be possible to make an exact allocation of these taxes and agrees to accept RMI's determination. RMI will use its best efforts to allocate to the 1978 Program that portion of the aggregated tax assessment as is attributable to the cars in the Program.

5. Compensation.

As compensation to RMI for the performance of services hereunder, Owner shall pay to RMI $ 53.00 per car per month payable on or before the last day of each calendar quarter for which it is due. For any partial calendar month during the term of the Agreement, the fee shall be pro-rated on a daily basis.

6. Distribution To Owner.

Within ninety (90) days after the end of each calendar quarter, RMI shall pay to Owner the Net Earnings attributable to the operation of the Cars during each quarter. For the purpose of the previous sentence, the term "Net Earnings" shall mean the Gross Revenues attributable to the Cars less the sum of (i) the amount of the Operating Expenses attributable to the Cars and (ii) all compensation due and payable to RMI under paragraph 5 not theretofore paid. RMI, in its sole discretion, shall have the right to retain amounts from such distributions which may be required for the efficient administration of this Agreement, for payment of accrued expenses not yet due, for the management of the Cars, for the payment of improvement costs under section 7(c), or for expenses relating to the Cars arising or payable after the termination or expiration of this Agreement. Gross Revenues and/or Operating Expenses attributable to a quarter which are received or paid after the date of payment for such quarter shall be included in subsequent quarterly distributions and accounted for as Revenues or Expenses of that subsequent quarter; provided, however, that if such items are received or incurred within one-year of the date of payment for that quarter to which they relate and the amount involved exceeds $20 per car, the items shall be accounted for with the Revenues and Expenses for the quarter to which such items relate.

7. Indemnification of RMI.

(a) Reimbursement For Operating Deficits. Within ten (10) days of receipt of notice and demand from RMI, Owner shall pay to RMI the amount by which Net Earnings for a calendar quarter shall be less than zero.

(b) Indemnification. Owner shall defend (if such defense is tendered to Owner), indemnify and hold RMI harmless from and against any and all claims, actions, damages, expenses, losses or liabilities incurred by or asserted against RMI as a result of the use, operation, possession, control, maintenance, repair or storage of the Cars, including, without limitation, those arising out of the sole active neglignce of RMI, attorney's fees, claims for injury to or death of persons, loss of or damage to property (including the Cars) and economic loss due to the unavailability for use of the Cars.

(c) Special Improvements. If any of the Cars require alterations, additions, or improvements to comply with applicable laws, regulations or requirements, RMI shall have the right to require the Owner to pay to RMI, upon 10 days prior written notice the approximate cost thereof. Upon completion, RMI shall notify the Owner of the exact amount of such costs, and in the event that Owner has already paid more than such cost, RMI shall refund the difference to Owner. If the amount already paid by Owner is less than the exact amount of such costs, Owner shall promptly pay to RMI the amount of such difference.

8. Right Of First Refusal; Exclusive Sales Agency.

(a) During the term of this Agreement and for a period of five months thereafter, if Owner shall have received from a third party ("Offeror") a bona fide offer (the "Offer") for the purchase of any or all of the Cars, and if Owner desires to accept the Offer, he shall first obtain a copy of the Offer in writing signed by the Offeror and forward a true copy thereof to RMI. RMI shall thereupon have the first option for a period not to exceed ninety (90) days after receipt of a copy of the Offer from Owner, to purchase all or any of the Cars upon the same terms and conditions as set forth in the Offer.

(b) During the term of this Agreement and for a period of five months thereafter, RMI shall have the exclusive right to sell the Cars. Unless RMI is the Purchaser under subparagraph (a) above, Owner shall pay to RMI upon the sale of a Car a sales commission equal to three percent (3%) of the price up to the total cost of the car (including RMI's Commencement Fee and applicable transit costs) and 50% of the sales price in excess of the total cost.

9. Execution Of Owner's Investment Agreement.

The effectiveness of this Agreement is expressly conditioned upon the completion and execution of the investment letter a copy of which is attached hereto as Exhibit A-2.

10. Notice.

Any notice required or permitted hereunder shall be in writing and shall be valid and sufficient if delivered personally or dispatched in any post office of the United States by registered or certified mail postage prepaid addressed to the other party as follows:

If to RMI:	PLM Railcar Management, Inc. One Embarcadero Center San Francisco, California 94111 Attn: Mr. Charles J. Scarcello
If to Owner:	To the address set forth on the signature page to this Agreement.

and any party may change his address by notice given to the other party in the manner set forth above.

11. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed under the laws of the State of California.

(b) Counterparts. This Agreement may be exeuted in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(c) Headings. Titles and headings of the paragraphs and subparagraphs of this Agreement are for the convenience of reference only and do not form a part of this Agreement and shall not in any way affect the interpretation hereof.

(d) Amendment. No explanation or information by either of the parties hereto shall alter or affect the meaning or interpretation of this Agreement and no modification or amendment to this Agreement shall be valid unless in writing and executed by both parties hereto.

(e) Successors And Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto; provided, however, that no assignment hereof by Owner or transfer of any of the Owner's rights hereunder whether by operations of law or otherwise shall be valid and effective as against RMI without the prior written consent of RMI.

(f) Force Majeure. Neither party hereto shall be deemed to be in breach or in violation of this Agreement if either is prevented from performing any of its obligations hereunder for any reason beyond its reasonable control including and without limitation acts of God, riots, strikes, fires, storms, public disturbances, or any regulation of any Federal, state or local government or any agency thereof.

(g) Other Customers Of RMI. It is expressly understood and agreed that nothing herein contained shall be construed to prevent or prohibit RMI from providing the same or similar services to any person or orgainzation not a party to this Agreement provided however, that if RMI owns, or manages for any other party, railroad cars which are similar to the Cars, and the total of such cars (including the Cars) available for lease exceeds the demand for such cars, the Cars shall be treated no less favorably than any other cars RMI owns or manages. Owner recognizes and acknowledges that it is RMI's intention to give priority to those cars which have been off-lease and available for the longest period of time.

(h) Waiver. The waiver of any breach of any term or condition hereof shall not be deemed a waiver of any other or subsequent breach, whether of like or different nature.

(i) Severability. If any term or provision of this Agreement or the performance thereof shall to any extent be invalid or unenforceable, such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Agreement, and this Agreement shall be valid and enforced to the fullest extent permitted by law.

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

PLM Railcar Management, Inc.

By Charles Scarcello

Charles J. Scarcello--Vice Pres. - Operations

~~MARK C. HUNGERFORD, President~~

OWNER Stephen H. Achtenhagen

By Stephen H. Achtenhagen

Address 25420 CRESCENT LANE

LOS ALTOS HILLS CA

94022

For Owner who is an individual:
STATE OF CALIFORNIA) ss:
COUNTY OF SANTA CLARA)

On this 6 day of DEC, 1978, before me personally appeared STEPHEN H. ACKERMAN (name of signer of foregoing instrument), to me known to be the person described in and who executed the foregoing instrument and he or she acknowledged that he or she executed the same as his or her free act and deed.

SARA SUNSHINE
NOTARY PUBLIC
Santa Clara County, California
My commission expires May 27, 1980
(SEAL)

Sara Sunshine
SARA SUNSHINE

My commission expires MAY 27, 1980

For Owner which is a corporation:
STATE OF) ss:
COUNTY OF)

On this day of ,1978, before me personally appeared (name of signer of foregoing instrument), to me personally known, who being by me duly sworn, says that he is the (title of office) of (name of corporation), that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(SEAL) _____

My commission expires _____

STATE OF California) ss:
COUNTY OF)

On this day of ,1978, before me personally appeared (Name of signer of foregoing instrument), to me personally known, who being by me duly sworn, says that he is the (title of office) of PLM Railcar Management, Inc. (name of corporation), that the seal affixed to the foregoing instrument is the corporate seal of said corporation, tht 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.

(SEAL) _____

My commission expires _____

Schedule 1

Number of Cars	Type of Car	Reporting Marks
2	4,000 Cubic feet capacity, 100 ton trucks, high-slide, solid-bottom gordola coal cars.	PLMX 5081 PLMX 5082

State of California)
County of San Francisco) SS:

On this 11th day of December, 1978, before me personally appeared Charles J. Scarcello, to me personally known, who being by me duly sworn, says that he is the Vice President - Operations of PLM Railcar Management, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Seal:

OFFICIAL SEAL
ROBERT L. SEYMOUR
NOTARY PUBLIC - CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO
My Commission expires Aug. 11, 1981

Robert L. Seymour

Robert L. Seymour, Notary Public

EXHIBIT "A"
MANAGEMENT AGREEMENT
PLM Railcar Management, Inc.

RECORDATION No. 9907 Filed 1425

DEC 14 1978 -9 45 AM

INTERSTATE COMMERCE COMMISSION

To Investors in Arizona

THE ISSUANCE OF THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF ARIZONA. IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREOF, WITHOUT THE PRIOR WRITTEN CONSENT OF THE DEPARTMENT OF CORPORATIONS OF ARIZONA, EXCEPT AS PERMITTED IN THE APPLICABLE REGULATIONS.

To Investors in California

IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES.

To Investors in Washington

THE ADMINISTRATOR OF SECURITIES HAS NOT REVIEWED THE PRIVATE PLACEMENT MEMORANDUM AND THE ISSUANCE OF THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF WASHINGTON. IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE ADMINISTRATOR OF SECURITIES EXCEPT AS PERMITTED IN THE ADMINISTRATOR'S RULES.

To Investors in Wisconsin

THE ISSUANCE OF THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE WISCONSIN UNIFORM SECURITIES LAW. IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF SECURITIES EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES.