

Arent, Fox, Kintner, Plotkin & Kahn

Washington Square 1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5339

RECORDATION NO. 15489-B

SEP 1 1988 - 9 43 AM

John D. Hushon
(202) 857-6290

INTERSTATE COMMERCE COMMISSION

September 1, 1988
JDH-88/222

No. 8-245A061

Date SEP 1 1988

Fee \$ 13.00

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Re: File No. 15489, 15489-A

ICC Washington, D. C.

Dear Madam:

I enclose for your recordation in accordance with 49 U.S.C. §11303 executed and notarized copies of Amendment No. 2 to Security Agreement dated August 26, 1988. The Security Agreement was filed with your office on February 1, 1988 and assigned File No. 15489. A first amendment was filed with your office on July 19, 1988 and assigned to the same file. The names and addresses of the parties to the above document are as follows:

Grantors:

PLM International, Inc.
655 Montgomery Street, Suite 1200
San Francisco, California 94111
Attention: Robert S. Leichtner
Vice President and General Counsel

Secured Parties:

Citicorp North America
601 Midland Avenue
Rye, New York 10580
Attention: Aircraft/Special Projects

Security Pacific National Bank
1 Embarcadero Center
San Francisco, California 94111

Collateral Covered:

The railcars listed on Schedule I-A to the Amendment and the Leases with respect thereto attached as Exhibits A and B to the Amendment.

SEP 1 9 38 AM '88
MOTION PICTURE ARCHIVE
100 ST. ...

Handwritten signature: Carolyn...

Secretary
September 1, 1988
Page 2

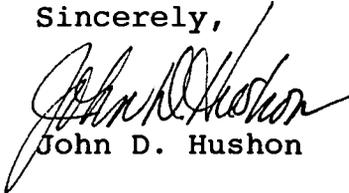
Two of the Railroad Cars covered by this amendment have been the subject of previous ICC filings which have been released:

PLMX 12592 - ICC# 13841
PLMX 12318 - ICC# 13839

A filing fee is enclosed. I would appreciate your filing one counterpart of the foregoing three documents under the provisions of 49 U.S.C. §11303 and stamping the additional copies of each of the documents for return to the parties involved in the transaction. We would also appreciate your returning to us a stamped copy of this transmittal letter, which is enclosed.

The undersigned certifies that he is acting as special ICC counsel in this transaction, that he has reviewed the above described documents and that the summary description contained in this transmittal letter is accurate.

Sincerely,



John D. Hushon

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

9/1/88

OFFICE OF THE SECRETARY

John D Hushon
Arent, Fox Kintner Plotkin & Kahn
Washington Square
1050 Conn. Avenue N.W.
Washington, D.C. 20036-5339

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/1/88 at 9:45am, and assigned recordation number(s). 13839-B, 113841-B & 15489-B

Sincerely yours,

Narita R. McEwen

Secretary

Enclosure(s)

This AMENDMENT NO. 2 TO SECURITY AGREEMENT ("Amendment") dated as of August 26, 1988, is made by PLM INTERNATIONAL, INC., a Delaware corporation ("Grantor"), to CITICORP NORTH AMERICA, INC., a Delaware corporation ("CitINA") and SECURITY PACIFIC NATIONAL BANK, a national banking association ("SPNB") (CitINA and SPNB are referred to hereinafter collectively as the "Lenders"), and amends that certain Security Agreement dated as of January 22, 1988, between the Grantor and the Lenders and Amendment No. 1 to Security Agreement dated as of July 13, 1988, between the Grantor and the Lenders.

RECITALS

A. Pursuant to a Security Agreement (as amended, the "Security Agreement") dated as of January 22, 1988, between the Grantor and the Lenders, the Grantor has granted to the Lenders a security interest in certain rolling stock, and in Grantor's interest in any lease thereof. The Grantor desires to acquire additional rolling stock ("New Rolling Stock") with certain collateral ("Collateral") in which the Lenders have previously been granted a security interest. The Lenders have agreed to release their security interest in the Collateral so that the Grantor may acquire the New Rolling Stock, provided that the Lenders shall have been granted a security interest in the New Rolling Stock and in Grantor's interest in any lease ("Lease") of the New Rolling Stock.

B. The Grantor and the Lenders desire to amend the Security Agreement in order to make the New Rolling Stock and all Leases a part of the collateral covered by the Security Agreement and subject to all the terms and conditions contained therein.

NOW, THEREFORE, in consideration of the premises and in order to induce the Lenders to release their security interest in the Collateral, the Grantor and the Lenders hereby agree as follows:

1. Grant of Security

Schedule I to the Security Agreement is hereby amended by adding to said Schedule the New Rolling Stock listed in Schedule I-A hereto and the Leases attached as Exhibits A and B hereto.

2. Express Amendment

Except as specifically provided herein, the Security Agreement shall continue in full force and effect.

3. Counterparts

This Amendment may be signed in any number of counterparts, and by different parties hereto in separate counterparts, with the same effect as if the signatures to each such counterpart were upon a single instrument. All counterparts shall be deemed an original of this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first above written.

GRANTOR:

PLM INTERNATIONAL, INC.

By _____
Title: _____



LENDERS:

CITICORP NORTH AMERICA, INC.

By _____
Title: _____

SECURITY PACIFIC NATIONAL BANK

By _____
Title: _____

3. Counterparts

This Amendment may be signed in any number of counterparts, and by different parties hereto in separate counterparts, with the same effect as if the signatures to each such counterpart were upon a single instrument. All counterparts shall be deemed an original of this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first above written.

GRANTOR:

PLM INTERNATIONAL, INC.

By _____
Title: _____

LENDERS:

CITICORP NORTH AMERICA, INC.

By _____
Title: _____

SECURITY PACIFIC NATIONAL BANK

By _____
Title: _____
[Handwritten Signature]
V.P.

3. Counterparts

This Amendment may be signed in any number of counterparts, and by different parties hereto in separate counterparts, with the same effect as if the signatures to each such counterpart were upon a single instrument. All counterparts shall be deemed an original of this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first above written.

GRANTOR:

PLM INTERNATIONAL, INC.

By _____
Title: _____

LENDERS:

CITICORP NORTH AMERICA, INC.

By _____
Title: _____ V.P.

SECURITY PACIFIC NATIONAL BANK

By _____
Title: _____

STATE OF CALIFORNIA)
)
CITY AND COUNTY OF SAN FRANCISCO) SS

On _____ 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the written instrument as _____ of PLM International, Inc., one of the corporations therein named and acknowledged to me that said corporation executed the same.

NOTARY SEAL

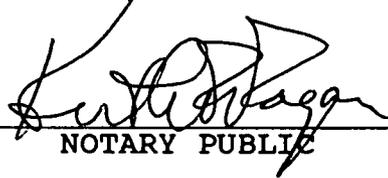
NOTARY PUBLIC

STATE OF NEW YORK)
)
~~CITY AND~~ COUNTY OF WESTCHESTER) SS

On AUG. 25 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared EDWARD JAECKEL, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the written instrument as VICE PRESIDENT of Citicorp North America, Inc., one of the corporations therein named and acknowledged to me that said corporation executed the same.

NOTARY SEAL

KENNETH F. FAGAN
Notary Public, State of New York
No. 465385
Qualified in Westchester County
Commission Expires January 31, 1990



NOTARY PUBLIC

STATE OF CALIFORNIA)
)
CITY AND COUNTY OF SAN FRANCISCO) SS

On _____ 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the written instrument as _____ of Security Pacific National Bank, the national banking corporation therein named and acknowledged to me that said national banking association executed the same.

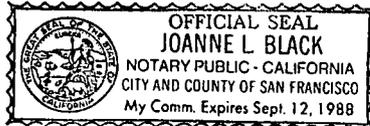
NOTARY SEAL

NOTARY PUBLIC

STATE OF CALIFORNIA)
)
CITY AND COUNTY OF SAN FRANCISCO) SS

On August 25 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared J. Herbert Gaul, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the written instrument as Vice President of PLM International, Inc., one of the corporations therein named and acknowledged to me that said corporation executed the same.

NOTARY SEAL



Joanne L. Black
NOTARY PUBLIC

STATE OF _____)
)
CITY AND COUNTY OF _____) SS

On _____ 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the written instrument as _____ of Citicorp North America, Inc., one of the corporations therein named and acknowledged to me that said corporation executed the same.

NOTARY SEAL

NOTARY PUBLIC

STATE OF CALIFORNIA)
)
CITY AND COUNTY OF SAN FRANCISCO) SS

On _____ 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the written instrument as _____ of Security Pacific National Bank, the national banking corporation therein named and acknowledged to me that said national banking association executed the same.

NOTARY SEAL

NOTARY PUBLIC

STATE OF CALIFORNIA)
)
CITY AND COUNTY OF SAN FRANCISCO) ss

On _____ 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the written instrument as _____ of PLM International, Inc., one of the corporations therein named and acknowledged to me that said corporation executed the same.

NOTARY SEAL

NOTARY PUBLIC

STATE OF _____)
)
CITY AND COUNTY OF _____) ss

On _____ 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the written instrument as _____ of Citicorp North America, Inc., one of the corporations therein named and acknowledged to me that said corporation executed the same.

NOTARY SEAL

NOTARY PUBLIC

STATE OF CALIFORNIA)
)
CITY AND COUNTY OF SAN FRANCISCO) ss

On August 26, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared Milt Anderson personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the written instrument as Vice President of Security Pacific National Bank, the national banking corporation therein named and acknowledged to me that said national banking association executed the same.

NOTARY SEAL

Nannette F. Johnson
NOTARY PUBLIC



SCHEDULE I-A

Road Nos.

PLMX 12592
PLMX 12318
PLMX 12374
PLMX 15005

LEASE AGREEMENT FOR
RAILROAD CARS

This Lease Agreement dated as of the 5th day of August, 1986 (the "Agreement"), by and between PLM Investment Management, Inc. ("IMI"), a California corporation, and Texasgulf Inc., a Delaware corporation ("Lessee").

IDENTITY OF LESSOR

IMI is entering into this Agreement for its own account and/or as agent for, and to the extent of, the principals who may own the cars which are to be leased hereunder to Lessee and which cars are described more particularly in the attached Exhibit A (such cars being hereinafter collectively referred to as the "cars" and separately as a "car"). The principals, if any, will, as of the date the cars are delivered hereunder, have entered into management agreements (the "management agreements") with IMI, which authorize IMI to enter into leases on their behalf. IMI warrants that it has the authority to enter into this Agreement and Lease the cars for the entire term of this Agreement. (A copy of the form of such management agreements will be made available to Lessee upon request.) IMI and such principals are collectively referred to as "Lessor." Lessor shall, from time to time, provide Lessee with the name of the principals, if any, who own the cars. Once IMI has identified the principals who own the cars to Lessee, IMI shall be released from any obligation under this lease except as agent for such principals.

Unless otherwise provided in writing, the following provisions apply to the lease and use of privately owned cars supplied by IMI:

Article 1: Lease

Lessor shall furnish and lease to Lessee, and Lessee shall accept, and use, the cars on the terms and conditions set forth herein and in the exhibits attached hereto.

Article 2: Term

The term of this Agreement with respect to each car shall commence upon the delivery of such car to Lessee in the manner set forth in Article 3 and, except as otherwise provided herein, shall terminate on the earlier of the date Lessor is notified of the loss or destruction of such car or, with respect to all cars leased hereunder, at the end of the number of months set forth in Exhibit B from the first day of the calendar month immediately following the month in which the first of the cars leased hereunder is delivered to Lessee; provided, however, that without limiting any other rights Lessor may have against Lessee, if Lessee is responsible for such loss or destruction of a car under Section 9.3, this Agreement with respect to such car shall continue until Lessee pays to Lessor the replacement value of such car as determined under the rules of the Association of American Railroads at the time of such loss or destruction. Notwithstanding the expiration or termination of this Agreement, the obligations of the Lessee hereunder shall

continue in effect with respect to each car until each such car is returned to the possession of Lessor in accordance with Article 14 or settlement is made for such car in accordance with Section 9.4.

Article 3: Delivery

3.1 Date of Delivery

Lessor shall deliver or cause the cars to be delivered to Lessee during the anticipated delivery period set forth in Exhibit B. The obligation of Lessor to deliver the cars in total or in part, shall be excused, and Lessor shall not be liable, for any causes beyond the reasonable control of Lessor (including, but not limited to, delays caused by fire, labor difficulties, delays of carriers and materialmen, governmental authority, or late delivery by the manufacturer or prior lessee of the cars). Lessee shall have the right to terminate this Lease with regard to some or all of the cars if delivery is delayed beyond a reasonable period, or if the delay is unduly burdensome to Lessee. Lessee shall have the right to reject any car not in interchange condition (i.e., fit and suitable for operation under the Interchange Rules (infra) or fit and suitable for the carriage of the commodities contemplated to be shipped by Lessee) at the time of delivery, provided that Lessor shall have the right immediately to make repairs to any rejected car and to deliver it to Lessee.

3.2 Place of Delivery

Lessor shall cause the cars to be delivered to Lessee at the location(s) set forth in Exhibit B.

3.3 Cost of Delivery

All transportation charges related to the delivery of the cars to the location(s) set forth in Exhibit B shall be borne by the party indicated in Exhibit B.

Article 4: Acceptance of Cars

Lessee may elect to inspect each car to determine if it (i) complies with the description set forth in Exhibit A and (ii) is fit and suitable for operation as those terms are defined in the Field Manual and the Office Manual of the Interchange Rules (the "Interchange Rules") adopted by the Association of American Railroads ("AAR") or fit and suitable for the carriage of the commodities contemplated to be shipped by Lessee. Upon such inspection, Lessee shall, if such car complies with the requirements of the preceding sentence, deliver to Lessor a Certificate of Acceptance in the form attached as Exhibit C. Lessee shall not reject delivery of any car delivered hereunder if, with respect to such car, Lessee shall (i) load, or otherwise use the car, or (ii) fail to notify Lessor, within 15 days of the delivery thereof, of Lessee's rejection of the car and the specific reasons why the car does not meet the applicable standards set forth in Exhibit A or the

Interchange Rules. If Lessee rejects any car, Lessor shall have the right to have the rejected car inspected by an inspector acceptable to both Lessor and Lessee. Lessee shall be deemed to have accepted any car for which the inspector determines good cause for rejection did not exist. If the inspector determines good cause for rejection did not exist, Lessee shall pay the expenses of the inspection, including the fees of the inspector. The decision of the inspector shall be final and binding upon the parties. Lessee's acceptance, however effected, shall be deemed effective as of, and the monthly rental shall accrue from, the date a car is delivered to Lessee.

Article 5: Markings

At the time of delivery of the cars by Lessor to Lessee, the cars will be plainly marked on each side with the identification marks selected by IMI. If such markings shall at any time be removed or become illegible, wholly or in part, Lessee shall immediately cause such markings to be restored or replaced at Lessee's expense. Lessee shall not otherwise place, nor permit to be placed, any lettering or marking of any kind upon the cars without notifying Lessor. During the term of this Lease, Lessee may at Lessee's sole cost and expense, place Lessee's own reporting marks on the cars provided Lessee, in letters no smaller than 1 inch in height, places on each car the legend "Leased from PLM Investment Management, Inc."

Article 6: Payment of Rentals

The monthly rental with respect to each car shall be as set forth in Exhibit B, and, subject to Article 2, shall accrue from (and including) the date Lessee's acceptance of such car is deemed effective to (and excluding) the date such car is redelivered in accordance with Article 14. The rental shall be payable to Lessor at the address set forth in Exhibit B, without deduction, reduction, set off or counter claim, except related to this Agreement, in advance, on or before the first day of each month during the term hereof; provided, however, that the rental for each car for the month in which it is delivered shall be prorated for the number of days (including the day of delivery) remaining in such month and shall be payable on or before the first day of the next succeeding calendar month. Rental shall be excused if Lessee is deprived of the use of any cars because of wrecks, substantial damage, latent defects to a car or the occurrence of an event of force majeure. The amount by which rental payments for any month shall exceed the pro rata rental due for the cars leased to Lessee during such month shall be credited against the rental due pursuant to the rental invoice submitted to Lessee during the following month, or if all the cars have been redelivered by Lessee in accordance with Article 14 as of the end of such month and any amount due to Lessee exceeds any amount due from Lessee the following month, such excess shall be paid to Lessee during such following month.

Article 7: Mileage Allowance

Collection

Any per diem or mileage allowances, rentals and/or other compensation payable by railroads by reason of the use of the cars (hereinafter referred to as "allowances") shall be collected by the party whose markings appear on the cars.

To the extent that Lessee shall be entitled to such allowances and to the extent such allowances shall be received by Lessor, Lessor shall do so as the agent (solely for that purpose) of Lessee, and such allowances shall be paid to Lessee within a reasonable time.

Article 8: Title and Usage

8.1 Title to the Cars

Lessee acknowledges and agrees that by the execution of this Agreement it does not obtain, and by payments and performance hereunder, it does not, and will not, have or obtain any title to the cars or any property right or interest therein, legal or equitable, except solely as Lessee hereunder and subject to all of the terms hereof. Lessee shall keep the cars free from any liens or encumbrances created by or through Lessee.

8.2 Usage of the Cars

Lessee will use the cars for the purpose set forth in Exhibit A and will not use the cars for any other purpose without the written approval of Lessor. Lessee agrees to use its best reasonable efforts not to load any of the cars in excess of the load limit stencilled thereon or the limit, if any, set forth in Exhibit A; and, except with respect to the repair of cars, Lessee shall not 1) cut or weld any part of car or cars without the prior written consent of Lessor, or, if the cars are equipped with unloading gates, 2) apply heat to the gates to open them, or for any other purpose.

8.3 Tax Indemnity

Lessee hereby acknowledges that IMI (or the principal(s) for whom IMI acts as agent) have claimed or will claim with respect to the cars the investment tax credit allowable pursuant to Section 38 of the Internal Revenue Code of 1954, as amended (the "Code"), for "Section 38 property" as defined in Section 48(b) of the Code and the deduction under the Accelerated Cost Recovery System on the cars under the Code based upon the recovery method (collectively, the "Tax Benefits"). Lessee shall not permit the cars to be used by any organization described in Section 48(a)(4) of the Code or by a governmental unit described in Section 48(a)(5) of the Code. Lessee further acknowledges that the Tax Benefits with respect to the cars would not be allowable in the taxable year claimed, or the Tax Benefits previously claimed with respect to the cars would be recaptured, if the cars were to be used predominantly

outside the United States within the meaning of Section 48(a)(2)(A) of the Code and therefore agrees to use each car so that the Tax Benefits as permitted by the Code (or any amendment thereof or successor legislation) may be claimed with respect to each car (and not be recaptured or disallowed), but in no event to use each car outside the boundaries of the continental United States unless permitted by Exhibit A, and if so permitted, for no more than the period allowable as set forth in Exhibit A.

If as a result of Lessee's violation of the provisions of this section 8.3 all or any portion of the Tax Benefits shall be unavailable to Lessor (each principal, for this purpose, being treated as a separate Lessor) Lessee shall be required to pay to Lessor an amount which, after deduction of all taxes actually required to be paid by such Lessor on such amount under the laws of any federal, state, local or foreign taxing authority, shall be equal to the sum of (1) the aggregate amount of additional federal income tax (including interest and penalties) payable by such Lessor by reason of any recapture of investment tax credit resulting from such violation and (2) the then present value of the net increase in tax (including interest and penalties) payable by such Lessor by reason of the unavailability or recapture of depreciation deductions under 168(b) of the Code (and concomitant allowance of depreciation under any other section of the Code) resulting from such violation. For purposes of clause (2) of the preceding sentence, depreciation deductions shall be assumed to reduce Lessor's taxes by the product obtained by multiplying such deductions by the sum of (i) the highest marginal federal income tax rate applicable to such Lessor (for taxable years beginning before July 1, 1987) or 34% (for taxable years beginning on or after July 1, 1987) and (ii) 66% of the highest marginal tax rate applicable to Lessor as of the date hereof in California; present value calculations shall be made using a discount rate of 10%.

8.4 Lessee's Right to Transfer or Assign

Lessee shall not transfer or assign the cars or its interest and obligations hereunder, nor shall a transfer or assignment by operation of law or otherwise of Lessee's interest in the cars or this Agreement be effective against Lessor, without Lessor's prior written consent, which consent shall not be unreasonably withheld; provided, however, that notwithstanding the foregoing, Lessee shall have the right to sublet any or all of the cars to such sublessees as Lessee may deem appropriate, and no consent of Lessor thereto shall be necessary, provided that no sublessee shall be permitted to use any of the cars outside the United States so as to cause the loss or recapture of the Investment Tax Credit for the cars for United States federal income tax purposes, nor shall any sublessee be an organization described in Section 48(a)(4) of the Internal Revenue Code (subject to the exceptions contained therein) or a governmental unit described in Section 48(a)(5) of the Internal Revenue Code unless Lessee agrees, in writing, to indemnify Lessor for any such loss of tax benefits in a form reasonably satisfactory to Lessor. No transfer or assignment of this Agreement, or of the cars shall

relieve Lessee from any of its obligations to Lessor hereunder. Any sublease permitted under this Section 8.4 shall include an acknowledgement of the interest of Lessor's mortgagee (if any) in the cars.

8.5 Use of Cars on Certain Roads Under AAR Circular OT-5 Series

Upon the written request of Lessee (which request shall name the railroads involved) Lessor shall use reasonable efforts to cooperate with Lessee to obtain from each named railroad with respect to the cars Authority to Place Privately Owned Freight Cars (other than tanks) in service under the Provisions of AAR Circular OT-5 Series as promulgated by the AAR and all supplements thereto and reissues thereof (such authority hereinafter called the "consent(s)"). Lessor shall furnish to Lessee such information as Lessee may request to apply for and obtain such consents. Lessor, however, shall not be liable for failure of Lessee to obtain such consents for any reason whatsoever and this Agreement shall remain in full force and effect notwithstanding any such failure. However, if Lessee is unable to obtain consents for the cars or any of them, Lessor shall assist Lessee in attempting to obtain a new creditworthy Lessee for any such car or cars, provided that Lessee shall not be excused from any of its obligations under this lease if Lessor, after making reasonably diligent effort, is unable to locate a suitable, creditworthy lessee.

Article 9: Maintenance and Repairs

9.1 Maintenance Responsibility

Except as otherwise provided in Exhibit B to this Agreement, Lessee shall, at its expense, perform or arrange and pay for the performance of all maintenance and repair services on the cars.

9.2 Alterations

Lessee shall not alter the physical structure of any of the cars without the prior written consent of Lessor.

9.3 Responsibility for Lost, Destroyed or Damaged Car

Lessee shall be responsible for and shall indemnify Lessor and hold Lessor harmless and does hereby release Lessor from (as provided in Article 10) the loss or destruction of, or damage to, the cars or any parts thereof, during the term; provided, however, Lessee shall not be responsible to the extent the then-prevailing Interchange Rules places responsibility upon a railroad subscribing to the Interchange Rules; and provided, further, that Lessee shall not be responsible to the extent that such loss, destruction or damage to the cars or parts thereof was caused by the negligence or willful misconduct of Lessor.

Notwithstanding anything contained herein to the contrary, Lessee shall be responsible for and shall indemnify Lessor and hold Lessor harmless and does hereby release Lessor from (as provided in Article 10) the loss or destruction of, or damage to, a car or any part thereof (except for that due to latent design or engineering defects) during the term of this Agreement which shall (i) be occasioned by the misuse or negligence of Lessee, its consignee, agent or sublessee, (ii) occur while such car is on the tracks of Lessee or any private siding or track, or at the loading or unloading facility of Lessee or its consignee, agent or sublessee, or on the track of any railroad that does not subscribe to the Interchange Rules or any private or industrial railroad or (iii) be caused by any commodity, other than Normal Wear and Tear due to the carriage of soda ash, which commodity may be transported or stored in or on such car.

Lessee shall notify Lessor of the loss or destruction of any of the cars within five (5) days of the date Lessee is advised of the occurrence of such event. The amount of loss resulting from the loss or destruction of a car shall be measured by its replacement value as determined under the Interchange Rules immediately at the time of such loss or destruction.

Article 10: Indemnification by Lessee

10.1 Damages, Losses and Injuries Due to Operation of the Cars

Except as otherwise provided by this Agreement, Lessee shall defend (if such defense is tendered to Lessee), indemnify and hold Lessor harmless from and against and does hereby release Lessor from, all claims, suits, liabilities, losses, damages, costs and expenses, including attorney's fees, (collectively referred to as "Claims") in any way arising out of or resulting from the condition, storage, use, loss of use, maintenance, or operation of the cars, except for any claims resulting from Lessor's negligence or willful misconduct. Lessee, upon request from Lessor, shall furnish evidence of insurance against liability for death, bodily injury or property damage with limits of not less than \$1,000,000 per occurrence, and if requested, Lessor shall be an additional insured under such insurance.

Lessor and Lessee shall cooperate with and assist each other in any reasonable manner requested, but without affecting their respective obligations under this Article 10 or Article 9, to establish proper claims against parties responsible for the loss or destruction of, or damage to, the cars.

10.2 Losses to and Damages Caused by Commodities

Except for those losses and damages produced by Lessor's negligence or willful misconduct, Lessor shall not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in the cars, however such loss or damages shall be caused, or shall result, and Lessee shall be responsible for, indemnify Lessor against and hold Lessor harmless and does

hereby release Lessor from Claims therefor. In the event any of the cars or parts thereof, including all interior lading removal devices, special interior linings and items, if any, set forth in Item V of Exhibit A, and removable parts, if any, shall become damaged by any commodity loaded therein, Lessee shall be responsible for such damage, and shall indemnify Lessor against and hold Lessor harmless from, any such Claims therefor according to the same terms of indemnification set forth in Section 10.1.

10.3 Loss of Use of Car

Notwithstanding any provision contained herein to the contrary, Lessor shall not be liable to Lessee for Claims which result from the loss of the use of the car for any reason whatsoever.

Article 11: Taxes and Other Charges

11.1 Lessee Responsibility

Except as otherwise hereinafter provided, Lessee shall pay and indemnify and hold Lessor harmless from all

(a) taxes including, without limitation, any withholding, property (personal and real, tangible and intangible), value-added, sales, use, or stamp taxes; and

(b) license fees, assessments, charges, levies, imposts, duties, tariffs, customs, switching and demurrage including penalties and interest thereon levied or imposed by any federal, state, local or foreign jurisdiction upon or with respect to the cars, or Lessor's interest in such cars or this lease.

11.2 Lessor Responsibility

Notwithstanding section 11.1, Lessee shall not be responsible for and Lessor shall pay tax imposed by any federal, state, local or foreign jurisdiction which is imposed on or measured by Lessor's net income, capital, net worth or gross receipts (other than in the case of gross receipts taxes in the nature of sales, use or rental taxes), or resulting from any transfer of the Cars or the Lease by the Lessor, other than the transfer hereunder to Lessee.

Article 12: Assignment, Transfers, Encumbrances

All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, and/or Lessor may assign, pledge, mortgage, transfer or otherwise dispose of title to the cars, with or without notice to Lessee. In such event, this Agreement and all rights of Lessee hereunder or those of any person, firm or corporation who claims or who may hereafter claim any rights in this Agreement under or through Lessee, are hereby made subject and subordinate to the terms,

covenants and conditions of any chattel mortgage, conditional sale agreement, equipment trust agreement or other agreements or assignments covering the cars heretofore or hereafter created and entered into by Lessor, its successors or assigns, and to all of the rights of any such chattel mortgagee, assignee, trustee or other holder of legal title to or security interest in the cars; provided, however, that so long as Lessee is not in default hereunder Lessee shall be entitled to use the cars in accordance with the terms and conditions hereof. Any sublease or assignment of the cars permitted by this Agreement that is entered into by Lessee or its successors or assigns shall contain language which expressly makes such assignment or sublease subject to the subordination contained herein. At the request of Lessor or any chattel mortgagee, assignee, trustee, or other holder of the legal title to or security interest in the cars, Lessee at Lessor's expense shall letter or mark the cars to identify the legal owner of the cars and, if applicable, place on each side of each car, in letters not less than one inch in height, the words "Ownership Subject to a Security Agreement Filed with the Interstate Commerce Commission" or other appropriate words reasonably requested.

Any transfer or assignment of, or grant of a security interest in, this Agreement or any interest herein shall be subject to any such transfer, assignment or grant of a security interest set forth in any previous filing with the Interstate Commerce Commission ("ICC").

Article 13: Default by Lessee

If Lessee defaults in the payment of any sum of money to be paid under this Agreement and such default continues for a period of five (5) days after notice to Lessee of such default; or if Lessee fails to perform any material covenant or condition required to be performed by Lessee which failure shall not be remedied within ten (10) days after notice thereof from Lessor to Lessee; or if Lessee shall dissolve, make or commit any act of bankruptcy, or if any proceeding under any bankruptcy, or insolvency statute or any laws relating to relief of debtors is commenced by Lessee, or if any such proceeding is commenced against Lessee and same shall not have been removed within thirty (30) days of the date of the filing thereof, or if a receiver, trustee or liquidator is appointed for Lessee or for all or a substantial part of Lessee's assets with Lessee's consent, or if without Lessee's consent the same shall not have been removed within thirty (30) days of the date of the appointment thereof; or if an order, judgment or decree be entered by a court of competent jurisdiction and continue unpaid and in effect for any period of thirty (30) consecutive days without a stay of execution; or if a writ of attachment or execution is levied on any car and is not discharged within ten (10) days thereafter, Lessor may exercise one or more of the following remedies with respect to the cars:

(a) Immediately terminate this Agreement and Lessee's rights hereunder;

(b)Require Lessee to return the cars to Lessor at Lessee's expense, and if Lessee fails to so comply, Lessor may take possession of such car without demand or notice and without court order or legal process;

(c)Lease the cars to such persons, at such rental and for such period of time as Lessor shall elect. Lessor shall apply the proceeds from such leasing less all cost and expenses incurred in the recovery, repair, storage and renting of such cars, toward the payment of Lessee's obligations hereunder. Lessee shall remain liable for any deficiency, which, at Lessor's option, shall be paid monthly, as suffered, or immediately, or at the end of the term as damages for Lessee's default;

(d)Bring legal action to recover all rent or other amounts then accrued or thereafter accruing from Lessee to Lessor under any provision hereunder; or

(e)Pursue any other remedy which Lessor may have.

Each remedy is cumulative and may be enforced separately or concurrently. If Lessee fails to perform any of its obligations hereunder, Lessor, at Lessee's expense, and without waiving any rights it may have against Lessee for such nonperformance, may itself render such performance. Further, Lessee shall reimburse Lessor for all costs and expenses including reasonable attorney's fees expended by Lessor in the enforcement of its rights and remedies hereunder, and Lessee shall pay interest on any amount owing to Lessor from the time such amount becomes due hereunder at a rate per annum equal to the reference rate of the Bank of America NT&SA, such rate to be reduced, however, to the extent it exceeds the maximum rate permitted by applicable law. In addition, Lessee shall, without expense to Lessor, assist Lessor in repossessing the cars and shall, for a reasonable time if required, furnish suitable trackage space for the storage of the cars.

If applicable, Lessor shall be entitled to the remedies of a lessor under Section 1168 of the U.S. Bankruptcy Code.

Article 14: Delivery at End of Term

Lessee shall not redeliver the cars prior to the end of the term without the prior consent of Lessor. At the end of the term, Lessee, at its expense, shall deliver each car to Lessor, or to a subsequent lessee, at the point designated by Lessor (but not to exceed 500 miles from the location of the cars), empty, free from soda ash, and in the same good order and clean condition as it was delivered by Lessor to Lessee, ordinary wear and tear and repairs that Lessor is required to make pursuant to Article 9 excepted. Lessee shall, on demand, reimburse Lessor for the reasonable expense of cleaning any car that contains soda ash or such other cost which may be incurred to place a car in the condition described above provided Lessee shall

have the right, but not the obligation, to inspect any such cars as provided, and such inspection and the expense shall be governed by the procedures set forth in Article 4.

If any car is not redelivered to Lessor or not delivered to a subsequent lessee on or before the date on which the term ends or in the event that a car so delivered is not in the condition required by this Article 14, Lessee shall pay rental for each day that each car is not delivered as required herein or until each car is delivered in the condition required, at the prorated monthly rental rate set forth in Exhibit B. Lessee shall pay to Lessor on or before the last day of each month the amount Lessee is obligated to pay to Lessor for such month under this Article 14. In addition to any other indemnity provided herein and any payments to be made to Lessor hereunder, Lessee shall also indemnify and hold Lessor harmless from and against all Claims whatsoever, including those asserted by a subsequent lessee, arising out of, or as a result of, such late delivery or failure to deliver in the condition required, but not exceeding an amount equal to 150% of the monthly rental reserved to Lessor for each car, prorated for partial months.

Article 15: Warranties and Representations

LESSOR MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER MATTER CONCERNING THE CARS. During the term of this Agreement and so long as Lessee renders faithful performance of its obligations, Lessor hereby assigns any factory or dealer warranty, whether express or implied, or other legal right Lessor may have against the manufacturer in connection with defects in the cars covered by this Agreement.

Article 16: Status of Lessee

Lessee represents and warrants that, as of the date of this Agreement:

(a) Texasgulf Inc. is a corporation duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and is either duly qualified to do business and is in good standing in such other jurisdictions in which the business and activities of Lessee require such qualification or its failure to so qualify in such other jurisdiction will not have a material adverse impact on this Agreement.

(b) Lessee has full power to enter into this Agreement.

(c) The Agreement had been duly authorized, executed and delivered by Lessee, and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms.

(d) No approval is required by Lessee from any governmental or public body or authority with respect to the entering into or performance of this Agreement.

(e) The entering into and performance of this Agreement will not conflict with, or result in a breach of, the terms, conditions or provisions of (i) any law, or any regulation, order, injunction, permit, franchise or decree of any court or governmental instrumentality and (ii) any indenture, agreement or other instrument to which Lessee is party or by which it or any of its property is bound.

(f) Lessee is neither an organization described in Section 48(a)(4) nor a governmental unit described in Section 48(a)(5) of the Internal Revenue Code of 1954, as amended.

Article 17: Right of Inspection

Lessor or its assignee shall have the right, at any reasonable time, and without interfering with Lessee's operations, to inspect the cars, by its authorized representative, wherever they may be located, for the purpose of determining compliance by Lessee with its obligations hereunder. Lessee shall use its best reasonable effort to obtain permission, if necessary, for Lessor or its authorized representative to enter upon any premises where the cars may be located.

Article 18: Reports and Notices

18.1 Car Movement

Annually, in writing, Lessee shall report to Lessor the mileage of the cars.

18.2 Notification of Damage or Injury

Lessee shall notify Lessor, within a reasonable period of time, of any accident or malfunction in connection with the operation of the cars, including in such report the time, place and nature of the accident, the damage caused to any property, the names and addresses of persons injured and of witnesses, and other such information as may be pertinent to Lessor's investigation of such accident.

18.3 Notification of Liens

Lessee shall notify Lessor within five (5) days after any attachment, lien (including any tax and mechanics' liens), or other judicial process attaches to the cars.

18.4 Report of Location

Within five (5) days after receipt of written demand from Lessor, Lessee shall give Lessor notice of the location of the cars to the best of its ability.

18.5 Addressing of Notices

All notices required or permitted hereunder shall be in writing and shall be deemed delivered upon actual receipt. Such notices shall be delivered to the respective parties hereto by personal delivery thereof or by telegram, telex, telecopier or deposit in the United States mail as certified or registered matter, return receipt requested, postage prepaid, and addressed to the respective parties as set forth in Exhibit B, unless otherwise advised in writing.

Article 19: Compliance With Laws

Lessee shall comply with all governmental laws, rules, regulations, requirements and the Interchange Rules (collectively referred to as the "Rules") with respect to the use and operation of the cars, and if the cars have any interior lading protective devices, special interior linings and items, if any, set forth on Exhibit A, or removable parts, the maintenance of such devices, linings or parts. Lessor shall further comply with the Rules in the event such Rules require a change or replacement of any equipment or appliance on the cars or in case any additional or other equipment or appliance is required to be installed on the cars (collectively referred to as "Alterations"). If such Alterations are required, Lessor shall have a reasonable period of time (not exceeding 180 days) to make such Alterations and return such car or cars to Lessee or terminate this Lease with respect to such car or cars. Lessee shall deliver the cars to such shop or shops and at such time or times as Lessor shall designate for the purpose of making any Alterations. Rental charges for such car or cars shall abate from and after the date when such car is so delivered by Lessee to the railroad for movement of such car to the designated repair shop until it is returned to service. If a car is altered in accordance with this Article 19, the rental rate for such a car for each month after such a car is altered shall be determined in accordance with Exhibit B.

Article 20: Administration of Agreement

The parties hereto recognize and acknowledge that IMI may be acting under management agreements as agent for certain principals which shall be identified to Lessee by IMI from time to time. Such principals shall, from time to time, be set forth in Exhibit D to this Agreement. IMI at any time, and from time to time, shall have the right to add principals (and amend or supplement Exhibit D to include such principals) and upon so doing shall notify Lessee; provided, however, that notwithstanding the date of such notification, such principal(s) shall be deemed a Lessor hereunder effective as of the date the cars owned by such principal and managed by IMI are delivered to Lessee. Any amended or supplemented Exhibit D shall, from time to time, be delivered to Lessee. Lessee agrees to cooperate with IMI and any principal for the purpose of complying with any reasonable requirements of any lender, the ICC or the provisions of Article 9 of the Uniform Commercial Code provided such cooperation does not affect the rights or liabilities of Lessee hereunder. Except as otherwise provided in Article 12, this Agreement shall

be administered by IMI or such other third person or entity as IMI may from time to time identify; provided, however, that any such assignment to such third person or entity shall not be effective against Lessee until Lessee is so notified of such assignment.

Article 21: Miscellaneous

21.1 Entire Agreement

This Agreement, together with any and all exhibits attached hereto, constitutes the entire agreement between Lessor and Lessee and it shall not be amended, altered, varied or changed except by written agreement signed by the parties hereto. This Agreement is intended to cover all rights to indemnity between the parties hereto. No waiver of any provision of this Agreement nor consent to any departure by Lessee therefrom shall be effective unless the same shall be in writing signed by both parties, and then such waiver of consent shall be effective only in the specific instance and for the purpose for which given.

21.2 Governing Law

This Agreement shall be interpreted under and performance shall be governed by the laws of the State of California.

21.3 Conflict with Interchange Rules

This Agreement shall govern in the event the Interchange Rules conflict with any provision of this Agreement.

21.4 Severability

If any term or provision of this Agreement or the application 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.

21.5 Headings

The headings that have been used to designate the various Sections and Articles hereof are solely for convenience in reading and ease of reference and shall not be construed in any event or manner as interpretative or limiting the interpretation of the same.

21.6 Survival

All indemnities contained in this Agreement shall survive the termination hereof. In addition, the obligation to pay any deficiency as well as the obligation for any and all other payments by Lessee to Lessor hereunder shall survive the termination of this Agreement.

21.7 Assignment of Rights

Except as otherwise provided in Section 8.4 and Article 12, this Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed and delivered as of the date first above written.

PLM INVESTMENT MANAGEMENT, INC.

DATE: _____

By Robert A. Fucini

TEXASGULF INC.

DATE: _____

By Earl L. Huntington
EARL L. HUNTINGTON
SENIOR VICE PRESIDENT

EXHIBIT A

NUMBER AND DESCRIPTION OF ITEMS OF EQUIPMENT

I. NUMBER OF ITEMS OF EQUIPMENT:

One hundred eighty (180)

II. DESCRIPTION OF ITEMS OF EQUIPMENT

100 ton, 4,750 c.f. covered hopper cars

III. THE ITEMS OF EQUIPMENT MAY BE USED ONLY FOR THE TRANSPORTATION OF THE FOLLOWING TYPES OF COMMODITIES:

Soda ash

IV. USE OF THE ITEMS OF EQUIPMENT OUTSIDE BOUNDARIES OF CONTINENTAL UNITED STATES:

The cars may be used in international service to and from Canada and Mexico.

V. SPECIAL ITEMS:

None

VI. CAR NUMBERS:

See Schedule 1 attached hereto.

EXHIBIT B

DELIVERY; RENTAL RATE; TERM

I. ANTICIPATED DELIVERY PERIOD:

June - August, 1986

II. PLACE OF DELIVERY:

Salt Lake City, Utah

III. COST OF DELIVERY TO BE BORNE BY:

Lessor

IV. RENTAL RATE:

\$150.00 per car per month

V. MILEAGE ALLOWANCES TO BE FOR THE ACCOUNT OF:

Lessee

VI. MAINTENANCE RESPONSIBILITIES OF LESSOR:

None

VII. TERM:

Five years

VIII. ADDRESSING OF NOTICES:

Lessee to Lessor

PLM Investment Management, Inc.
655 Montgomery Street
Suite 1200
San Francisco, California 94111

Lessor to Lessee

Texasgulf Inc.
P.O. Box 10037
High Ridge Park
Stamford, Connecticut 06904-2037
Attn: Treasurer

with copies to:

Texasgulf Chemicals Company
P.O. Box 30321
Raleigh, North Carolina 27622-0321

EXHIBIT C
CERTIFICATE OF ACCEPTANCE OF
RAILROAD CAR

This Certificate relates to the cars listed below leased by PLM Investment Management Inc., to Texasgulf Inc. under a Lease Agreement for cars dated August 5, 1986 (the "Lease") into which this Certificate is incorporated (by Article 4 thereof).

Railroad Car Numbers

See Schedule 1 attached hereto.

Lessee hereby certifies its acceptance of the cars.

Lessee hereby certifies that the representations and warranties of Lessee contained in the Lease are true and correct on the date hereof.

Executed: June 30, 1986

TEXASGULF INC.

By _____

(Title): _____

EXHIBIT D

<u>Name of Principal</u>	Car Numbers of Cars Owned <u>Address of Principal</u>	<u>by Principal</u>
RMI Covered Hopper Railcar Management Program 79-1	655 Montgomery Street San Francisco, CA 94111	See Schedule 1 to be provided

SCHEDULE 1

TEXASGULF CHEMICALS COMPANY

180 CARS

11128	11661	11768	11788	11863
11130	11662	11769	11789	11864
11131	11663	11770	11790	11865
11132	11664	11771	11791	11866
11133	11665	11772	11792	11867
11134	11666	11773	11847	11868
11136	11745	11774	11848	11869
11137	11746	11775	11849	11870
11138	11754	11776	11850	11871
11139	11757	11777	11852	12318
11140	11758	11778	11853	12379
11141	11759	11779	11854	12380
11143	11760	11780	11855	12381
11144	11761	11781	11856	12382
11145	11762	11782	11857	12383
11146	11763	11783	11858	12384
11147	11764	11784	11859	12385
11148	11765	11785	11860	12386
11149	11766	11786	11861	12387
11150	11767	11787	11862	12388

12389	12420	12586	12616
12390	12421	12587	12619
12391	12422	12588	12620
12392	12423	12589	12621
12393	12424	12590	12624
12394	12425	12592	12625
12395	12426	12593	12643
12396	12427	12594	12645
12397	12428	12595	12647
12398	12429	12597	12648
12410	12430	12599	12649
12411	12431	12600	12650
12412	12432	12601	12652
12413	12433	12604	12653
12414	12434	12606	12654
12415	12435	12607	12656
12416	12581	12608	12657
12417	12583	12612	12658
12418	12584	12613	12659
12419	12585	12615	12660

PLM INVESTMENT MANAGEMENT COMPANY

McCormick Building, Suite 1728
332 South Michigan Avenue
Chicago, Illinois 60604
312/341-0618
Easylink 82891160

NOV 17 1986

TRAFFIC & TRANS.

November 10, 1986

Mr. Gilbert A. Smith
Manager, Transportation
Koppers Company, Inc.
850 Koppers Building
Pittsburgh, PA 15219

Subject: UNI-TEMP Tank Car - PLMX 15005

Dear Mr. Smith:

This letter will evidence that Koppers Company, Inc., ("Lessee") has agreed to lease one (1) UNI-TEMP tank car ("Car") from PLM Investment Management, Inc. ("Lessor") for a term of one (1) year from the date of delivery to Lessee by PLM.

This car is a 23,000 gallon shell capacity UNI-TEMP tank car bearing the car reporting marks set forth in the caption.

The lease will be renewable for ~~XX~~ additional ~~XXXXXX~~ ^{six month periods until} ~~XXXXXX~~ written notice from Lessee, provided such notice is given at least ~~90~~ ³⁰ days before this lease expires.

30

The lease shall be upon the following additional terms and conditions:

1. The monthly rental with respect to the Car shall be as set forth in Exhibit B and, shall accrue from (and including) the date Lessee's acceptance of the Car is deemed effective to (and excluding) the date Car is redelivered. The rental shall be payable without deduction, reduction, setoff or counterclaim of any kind, for any reason, whether or not related to this Agreement, to Lessor at the address set forth in Exhibit B, in advance, on or before the first day of each month during the term hereof; provided, however, that the rental for Car for the month in which it is delivered shall be prorated for the number of days (including the day of acceptance) remaining in such month and shall be payable on or before the first day of the next succeeding calendar month. The amount by which rental payments for any month shall exceed the pro rata rental due for the Car leased to Lessee during such month shall be credited against the rental due pursuant to the rental invoice submitted to Lessee during the following month.

2. Collection

Any per diem or mileage allowances, rentals and/or other compensation payable by railroads by reason of the use of the Car (hereinafter referred to as "allowances") shall be collected by Lessor. Any allowances paid to Lessor shall be paid to Lessee within a reasonable time following the month of Car movement. Lessee shall have the right from time to time, upon request, to review Lessors records of the allowances paid or payable with respect to the Car.

To the extent that Lessee shall be entitled to such allowances and to the extent such allowances shall be received by Lessor, Lessor shall do so as the agent (solely for that purpose) of Lessee.

3. Tax Indemnity

Lessee hereby acknowledges that Lessor (or the principal(s) for whom Lessor acts as agent) have claimed or will claim with respect to the Car the investment tax credit allowable pursuant to Section 38 of the Internal Revenue Code of 1954, as amended (the "Code"), for "Section 38 property" as defined in Section 48(b) of the Code and the deduction under the Accelerated Cost Recovery System on the Car under the Code based upon the recovery method (collectively, the "Tax Benefits"). Lessee shall not permit the Car to be used by any organization described in Section 48(a)(4) of the Code or by a governmental unit described in Section 48(a)(5) of the Code. Lessee further acknowledges that the Tax Benefits with respect to the Car would not be allowable in the taxable year claimed, or the Tax Benefits previously claimed with respect to the Car would be recaptured, if the Car were to be used predominantly outside the United States within the meaning of Section 48(a)(2)(A) of the Code and therefore agrees to use each Car so that the Tax Benefits as permitted by the Code (or any amendment thereof or successor legislation) may be claimed with respect to each Car (and not be recaptured or disallowed), but in no event to use each Car outside the boundaries of the continental United States unless permitted by Exhibit A, and if so permitted, for no more than the period allowable as set forth in Exhibit A.

Lessee shall be required to pay to Lessor (each principal, for this purpose, being treated as a separate Lessor) an amount which, after deduction of all taxes required to be paid by such Lessor in respect of all amounts payable by Lessee to Lessor hereunder, under the laws of any federal, state, or local government or taxing authority, shall be equal to all or such portion of the Tax Benefits disallowed or recaptured by or from Lessor as a direct or indirect result of Lessee's violation hereof.

4. Maintenance Responsibility

Lessor shall, at its expense, perform or arrange and pay for the performance of maintenance and repair services on the Car.

5. Repairs to Car Unfit for Service

Lessee shall promptly notify Lessor if the Car becomes ~~unfit~~^{unfit} for service for any reason other than the loss or destruction of such Car and Lessee, at its expense, shall promptly deliver the Car to the shop designated by Lessor; and Lessor shall have a reasonable period of time to repair and return such Car to service or replace such Car with another like railroad Car. Rental shall abate for such Car from the time it is delivered to Lessor's designated shop to the time it is redelivered to and accepted by Lessee.

6. Alterations

Lessee shall not alter the physical structure of the Car.

7. Lessee's Right to Transfer or Assign

Lessee shall not transfer or assign the Car or its interest and obligations hereunder, nor shall a transfer or assignment by operation of law or otherwise of Lessee's interest in the Car or this Agreement be effective against Lessor, without Lessor's prior written consent which consent shall not be unreasonably withheld. No transfer or assignment of this Agreement, or of the Car, shall relieve Lessee from any of its obligations to Lessor hereunder. Any sublease shall include an acknowledgement of the interest of Lessor's mortgagee (if any) in the Car. Trip leases are not included in the above description.

8. Responsibility for Lost, Destroyed or Damaged Car

Lessee shall be responsible for and shall indemnify Lessor and hold Lessor harmless and does hereby release Lessor from the loss or destruction of, or damage to, the Car or any parts thereof, during the term; provide, however, Lessee shall not be responsible to the extent the then-prevailing Interchange Rules places responsibility upon a railroad subscribing to the Interchange Rules; and provided, further, that Lessee shall not be responsible if such loss, destruction or damage to the Car or parts thereof was caused by the negligence or willful misconduct of Lessor.

Notwithstanding anything contained herein to the contrary, Lessee shall be responsible for and shall indemnify Lessor and hold Lessor harmless and does hereby release Lessor from the loss or destruction of, or damage to, a Car or any part thereof during the term of this Agreement which shall (i) be occasioned by the misuse or negligence of Lessee its consignee, agent or sublessee, (ii) occur while such Car is on the tracks of Lessee or any private siding or track, or at the loading or unloading facility of Lessee or its consignee, agent or sublessee, or on the track of any railroad that does not subscribe to the Interchange

Rules or any private or industrial railroad or (iii) be caused by any commodity which may be transported or stored in or on such Car.

Lessee shall notify Lessor of the loss or destruction of the Car within two (2) days of the date of ~~such loss~~. * The amount of loss resulting from the loss or destruction of a Car shall be measured by its replacement value as determined immediately prior to the time of such loss or destruction whatsoever. In all cases to which this indemnity applies, Lessee's obligation shall be to indemnify Lessor for the full amount of the Claims involved. * Lessee notice.

9. Damages, Losses and Injuries Due to Operation of the Car

Lessee shall defend (if such defense is tendered to Lessee), indemnify and hold Lessor harmless from and against and does hereby release Lessor from, all claims, suits, liabilities, losses, damages, costs and expenses, including attorney's fees, (collectively referred to as ("Claims")) in any way arising out of or resulting from condition, storage, use, loss of use, maintenance, operation of the Car, or any other cause, except if caused by the negligence or willful misconduct of Lessor. Joint or concurrent acts of negligence shall be shared by the parties proportionally.

Lessor and Lessee shall cooperate with and assist each other in any reasonable manner requested to establish proper claims against parties responsible for the loss or destruction of, or damage to, the Car.

Losses to and Damages Caused by Commodities

Except in loss or damage to commodities caused by the negligence or willful misconduct of Lessor, Lessor shall not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in the Car, however such loss or damages shall be caused, or shall result, and Lessee shall be responsible for, indemnify Lessor against and hold Lessor harmless and does hereby release Lessor from Claims therefor. In the event the Car or parts thereof, including all interior lading protective devices, special interior linings and items, if any, set forth in Item V of Exhibit A, and removable parts, if any, shall become damaged by any commodity loaded therein, Lessee shall be responsible for such damage, and shall indemnify Lessor against and hold Lessor harmless from, any such Claims therefor according to the same terms of indemnification set forth herein.

10. Loss of Use of Car

Notwithstanding any provision contained herein to the contrary, Lessor shall not be liable to Lessee for Claims which result from the loss of the use of the Car for any reason whatsoever, except (i) the rental abatement provided in paragraph 5; and (ii) except for loss of use caused by the negligence or willful misconduct of Lessor.

*
(a) Taxes. Lessor is responsible for payment of all ad valorem property taxes levied upon the cars and for filing all necessary returns and reports for such taxes. Lessee shall pay, or cause to be paid, or shall reimburse Lessor for all other taxes, including, but not limited to, sales, use, rental, gross income, and excise taxes (except net income taxes) as may be levied or assessed against Lessor or Lessee in connection with this Agreement, or arising out of any sale, lease, rental, use, operation, ownership, payment, or delivery of any cars.

Any transfer or assignment of, or grant of a security interest in, this Agreement or any interest herein shall be subject to any such transfer, assignment or grant of a security interest set forth in any previous filing with the Interstate Commerce Commission ("ICC").

If Lessee defaults in the payment of any sum of money to be paid under this Agreement and such default continues for a period of ten (10) days after notice to Lessee of such default; or if Lessee fails to perform any covenant or condition required to be performed by Lessee which failure shall not be remedied within thirty (30) days after notice thereof from Lessor to Lessee; or if Lessee shall dissolve, make or commit any act of bankruptcy, or if any proceeding under any bankruptcy, or insolvency statute or any laws relating to relief of debtors is commenced by Lessee, or if any such proceeding is commenced against Lessee and same shall not have been removed within sixty (60) days of the date of the filing thereof, or if a receiver, trustee or liquidator is appointed for Lessee or for all or a substantial part of Lessee's assets with Lessee's consent, or if without Lessee's consent the same shall not have been removed within sixty (60) days of the date of the appointment thereof; or if an order, judgment or decree be entered by a court of competent jurisdiction and continue unpaid and in effect for any period of sixty (60) consecutive days without a stay of execution; or if a writ of attachment or execution is levied on any Car and is not discharge within thirty (30) days thereafter, Lessor may exercise one or more of the following remedies with respect to the Car:

- (a) Immediately terminate this Agreement and Lessee's rights hereunder;
- (b) Require Lessee to return the Car to Lessor at Lessee's expense, and if Lessee fails to so comply, Lessor may take possession of such Car without demand or notice and without court order or legal process;
- (c) Lease the Car to such persons, at such rental and for such period of time as Lessor shall elect. Lessor shall apply the proceeds from such leasing less all cost and expenses incurred in the recovery, repair, storage and renting of the Car, toward the payment of Lessee's obligations hereunder. Lessee shall remain liable for any deficiency, which, at Lessor's option shall be paid monthly, as suffered, or immediately, or at the end of the term as damages for Lessee's default;
- (d) Bring legal action to recover all rent or other amounts then accrued or thereafter accruing from Lessee to Lessor under any provision hereunder; or
- (e) Pursue any other remedy which Lessor may have.

Mr. Gilbert A. Smith
November 10, 1986
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Each remedy is cumulative and may be enforced separately or concurrently. If Lessee fails to perform any of its obligations hereunder, Lessor, at Lessee's expense, and without waiving any rights it may have against Lessee for such nonperformance, may itself render such performance. Further, Lessee shall reimburse Lessor for all costs and expenses including reasonable attorney's fees expended by Lessor in the enforcement of its rights and remedies hereunder, and Lessee shall pay interest on any amount owing to Lessor from the time such amount becomes due hereunder at a rate per annum equal to the reference rate of the Bank of American NT&SA, such rate to be reduced, however, to the extent it exceeds the maximum rate permitted by applicable law. In addition, Lessee shall, without expense to Lessor, assist Lessor in repossessing the Cars and shall, for a reasonable time if required, furnish suitable trackage space for the storage of the Car.

If applicable, Lessor shall be entitled to the remedies of a lessor under Section 1168 of the U. S. Bankruptcy Code.

Lessee shall not redeliver the Car prior to the end of the term without the prior consent of Lessor. At the end of the term, Lessee, at its expense, shall deliver the Car to Lessor, or to a subsequent lessee, at the point designated by Lessor (but not to exceed 500 miles from the location of the Car), empty, free from residue, and in the same good order and clean condition, as it was delivered by Lessor to Lessee, ordinary wear and tear and repairs that Lessor is required to make excepted. Lessee shall, on demand, reimburse Lessor for the expense of cleaning any Car that contains residue or such other cost which may be incurred to place a Car in the condition described above. Lessee shall hold Lessor and its affiliates harmless and indemnify it or them for bodily injury, death, or property damage arising out of any misidentification, for whatever reason, by Lessee or any agent or representative of Lessee, the last contents of any Car leased hereunder.

If the Car is not redelivered to Lessor or not delivered to a subsequent lessee on or before the date on which the term ends or in the event that a Car so delivered is not in the condition required, Lessee shall pay rental for each day that the Car is not delivered as required herein or until the Car is delivered in the condition required, at the prorated monthly rental rate set forth in Exhibit B. Lessee shall pay to Lessor on or before the last day of each month the amount Lessee is obligated to pay to Lessor for such month. In addition to any other indemnity provided herein and any payments to be made to Lessor hereunder, Lessee shall also indemnify and hold Lessor harmless from and against all Claims whatsoever, including those asserted by a subsequent lessee, arising out of, or as a result of, such late delivery or failure to deliver in the condition required, except if caused by the negligence or willful misconduct of Lessor.

* suitable to load compatible commodities as transported under this lease,

LESSOR MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER MATTER CONCERNING THE CAR EXCEPT AS HEREAFTER SET FORTH. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY CLAIMS CAUSED BY THE CAR OR BY ANY DEFECT THEREIN. Lessor does warrant that the heat plate in the Car will be free from defects in the materials and workmanship in normal use and service for a period of five years from delivery of the Car to Lessee. Should the heat plate in the Car be defective during the term of this warranty, Lessor shall, provided Lessor's examination shall disclose, to Lessor's satisfaction, that the heat plate is defective, at the option of Lessor, (i) make any repairs required to the heat plate at the expense of Lessor (provided the Car is delivered to Lessor at Lessor's designated shop); or (ii) replace the Car. The foregoing shall be the sole and exclusive remedy of Lessee for breach of the warranty on the heat plate; and, in no event, shall Lessor be liable for any special or consequential damages such as, but not limited to, loss of use or lost profits.

Except as provided above with respect to the heat plate of the Car, during the term of this Agreement and so long as Lessee renders faithful performance of its obligations, Lessor hereby assigns to Lessee any factory or dealer warranty, whether express or implied, or other legal right Lessor may have against the manufacturer in connection with defects in the Cars covered by this Agreement.

* 12. See attachment, page 8a.

X2. Notification of Damage or Injury

13.

Lessee shall notify Lessor, within a reasonable period of time, of any accident or malfunction in connection with the operation of the Car, including in such report the time, place and nature of the accident, the damage caused to any property, the names and addresses of persons injured and of witnesses, and other such information as may be pertinent to Lessor's investigation of such accident.

X2X Entire Agreement

14.

This Agreement, together with any and all exhibits attached hereto, constitutes the entire agreement between Lessor and Lessee and it shall not be amended, altered, varied or changed except by written agreement signed by the parties hereto. This Agreement is intended to cover all rights to indemnity between the parties hereto. No waiver of any provision of this Agreement nor consent to any departure by Lessee therefrom shall be effective unless the same shall be in writing signed by both parties, and then such waiver of consent shall be effective only in the specific instance and for the purpose for which given.

* 12. Experimental. The parties ^{reasonable} agree that the leasing of this car is for the experiment in developing new and more efficient unloading technology. If in the opinion of the lessee, the experimentation fails and the unloading technology does not develop to the satisfaction of the lessee, the lessee reserves the option and the right to return the car to the lessor at anytime during the term and declare this agreement as terminated with no further obligation. This clause and the rights contained herein take precedence over and supercede all other provisions of this contract.

Mr. Gilbert A. Smith
November 10, 1986
Page Nine

~~XX~~. Governing Law
15.

This Agreement shall be interpreted under and performance shall be governed by the laws of the State of California.

~~XX~~ Survival
16.

All indemnities contained in this Agreement shall survive the termination hereof. In addition, the obligation to pay any deficiency as well as the obligation for any and all other payments by Lessee to Lessor hereunder shall survive the termination of this Agreement.

Exhibits A and B hereto are incorporated herein by this reference.

Very truly yours,

PLM Investment Management, Inc.

REB:ec

AGREED TO AND ACCEPTED:

KOPPERS COMPANY, INC.

By: Jay A. Best

Title: Jay A. Best
Vice President and Manager
Traffic and Transportation

EXHIBIT A
NUMBER AND DESCRIPTION OF CARS

I. NUMBER OF CARS:

One (1)

II. DESCRIPTION OF CAR: 23,000 Gallon shell capacity "UNI-TEMP"
Tank Car*.

III. THE CAR MAY BE USED ONLY FOR THE TRANSPORTATION OF THE
FOLLOWING TYPES OF COMMODITIES:

Creosote Oil

IV. USE OF CARS OUTSIDE BOUNDARIES OF CONTINENTAL UNITED STATES:

(See Lease Document)

V. SPECIAL ITEMS:

None

VI. CAR NUMBERS:

PLMX 15005

*This Car is covered by one or more of the following U. S. patents:
4,480,370; 4,476,788

EXHIBIT B

DELIVERY; RENTAL RATE; TERM

- I. ANTICIPATED DELIVERY PERIOD: November, 1986
- II. PLACE OF DELIVERY: Koppers Company, Inc.
Chicago, Illinois
- III. COST OF DELIVERY: Lessee's Account
(F.O.T., Sioux City, Iowa)
- IV. RENTAL RATE: \$375.00 per car per month
- V. TERM: One (1) year
- VI. ADDRESSING OF NOTICES:

Lessee to Lessor

PLM Investment Management, Inc.
655 Montgomery Street
Suite 1200
San Francisco, California 94111

Lessor to Lessee

Koppers Company, Inc.
850 Koppers Building
Pittsburgh, Pennsylvania 15219
Attn.: G. L. Smith

PLM RAILCAR MAINTENANCE COMPANY

McCormick Building, Suite 1728
332 South Michigan Avenue
Chicago, Illinois 60604
312/341-0616

February 1, 1988

Mr. James Caffero
Manager, Transportation
Koppers Company, Inc.
850 Koppers Building
Pittsburgh, PA 15219

Subject: UNI-TEMP Tankcar - PLMX 15005

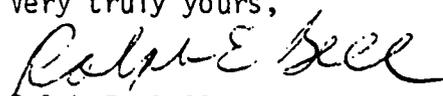
Dear Mr. Caffero:

Please refer to our letter agreement of November 10, 1986 covering the subject tankcar. Enclosed herewith is revised Exhibit B to the subject agreement, which has the effect of amending the rental rate term and the addressee for notices. The new rental rate is \$475 per car per month; the new term is three years from the date of ~~decision~~ with an option to extend for one additional two-year term on the same terms and conditions; and your name has been inserted in the provision for addressing of notices. renewal

In addition to the amendments embodied in the new Exhibit B, the parties have agreed that, effective on the date hereof, Section 12 - "Experimental" of our agreement would be deleted and of no further force and effect.

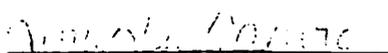
As evidence of your agreement to the foregoing, please sign and return the enclosed copy of this letter and at least one copy of the enclosed Exhibit B.

Very truly yours,


Ralph E. Bell
Vice President, Sales
Uni-Temp & Uni-Flo Railcars

Accepted and approved:

KOPPERS COMPANY, INC.

By 

Title Transportation
Coordinator

EXHIBIT B

DELIVERY: RENTAL RATE: TERM
(Effective February 1, 1988)

- I. ANTICIPATED DELIVERY PERIOD November, 1986
- II. PLACE OF DELIVERY: Koppers Company, Inc.
Chicago, Illinois
- III. COST OF DELIVERY: Lessee's Account
(F.O.T., Sioux City, Iowa)
- IV. RENTAL RATE: \$475 per car per month
- V. TERM: Three (3) years. Provided that Lessee is not then in default, and no event has occurred which, but for the lapse of time or the giving of notice, or both, would be an event of default under this Agreement, Lessee shall have the right and option, by written notice delivered at least ninety (90) days prior to expiration of the term hereof, to extend the term of this Agreement for two years on the same terms and conditions hereof then in effect.

VI. ADDRESSING OF NOTICES:

Lessee to Lessor

PLM Investment Management, Inc.
655 Montgomery Street
Suite 1200
San Francisco, California 94111

Lessor to Lessee

Koppers Company, Inc.
1750 ~~850~~ Koppers Building
Pittsburgh, Pennsylvania 15219
Attention: James ~~Cafaro~~ Cafaro

KOPPERS COMPANY, INC.

By James A. Cafaro
James A. Cafaro
Title Transportation Coordinator

PLM INVESTMENT MANAGEMENT, INC.

By [Signature]
Title [Signature]

Arent, Fox, Kintner, Plotkin & Kahn

Washington Square 1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5339

John D. Hushon
(202) 857-6290

September 1, 1988
JDH-88/222

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Re: File No. 15489, 15489-A

Dear Madam:

I enclose for your recordation in accordance with 49 U.S.C. §11303 executed and notarized copies of Amendment No. 2 to Security Agreement dated August 26, 1988. The Security Agreement was filed with your office on February 1, 1988 and assigned File No. 15489. A first amendment was filed with your office on July 19, 1988 and assigned to the same file. The names and addresses of the parties to the above document are as follows:

Grantors:

PLM International, Inc.
655 Montgomery Street, Suite 1200
San Francisco, California 94111
Attention: Robert S. Leichtner
Vice President and General Counsel

Secured Parties:

Citicorp North America
601 Midland Avenue
Rye, New York 10580
Attention: Aircraft/Special Projects

Security Pacific National Bank
1 Embarcadero Center
San Francisco, California 94111

Collateral Covered:

The railcars listed on Schedule I-A to the Amendment and the Leases with respect thereto attached as Exhibits A and B to the Amendment.

Secretary
September 1, 1988
Page 2

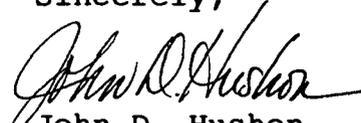
Two of the Railroad Cars covered by this amendment have been the subject of previous ICC filings which have been released:

PLMX 12592 - ICC# 13841
PLMX 12318 - ICC# 13839

A filing fee is enclosed. I would appreciate your filing one counterpart of the foregoing three documents under the provisions of 49 U.S.C. §11303 and stamping the additional copies of each of the documents for return to the parties involved in the transaction. We would also appreciate your returning to us a stamped copy of this transmittal letter, which is enclosed.

The undersigned certifies that he is acting as special ICC counsel in this transaction, that he has reviewed the above described documents and that the summary description contained in this transmittal letter is accurate.

Sincerely,



John D. Hushon

Enclosures

LEASE AGREEMENT FOR
RAILROAD CARS

This Lease Agreement dated as of the 5th day of August, 1986 (the "Agreement"), by and between PLM Investment Management, Inc. ("IMI"), a California corporation, and Texasgulf Inc., a Delaware corporation ("Lessee").

IDENTITY OF LESSOR

IMI is entering into this Agreement for its own account and/or as agent for, and to the extent of, the principals who may own the cars which are to be leased hereunder to Lessee and which cars are described more particularly in the attached Exhibit A (such cars being hereinafter collectively referred to as the "cars" and separately as a "car"). The principals, if any, will, as of the date the cars are delivered hereunder, have entered into management agreements (the "management agreements") with IMI, which authorize IMI to enter into leases on their behalf. IMI warrants that it has the authority to enter into this Agreement and Lease the cars for the entire term of this Agreement. (A copy of the form of such management agreements will be made available to Lessee upon request.) IMI and such principals are collectively referred to as "Lessor." Lessor shall, from time to time, provide Lessee with the name of the principals, if any, who own the cars. Once IMI has identified the principals who own the cars to Lessee, IMI shall be released from any obligation under this lease except as agent for such principals.

Unless otherwise provided in writing, the following provisions apply to the lease and use of privately owned cars supplied by IMI:

Article 1: Lease

Lessor shall furnish and lease to Lessee, and Lessee shall accept, and use, the cars on the terms and conditions set forth herein and in the exhibits attached hereto.

Article 2: Term

The term of this Agreement with respect to each car shall commence upon the delivery of such car to Lessee in the manner set forth in Article 3 and, except as otherwise provided herein, shall terminate on the earlier of the date Lessor is notified of the loss or destruction of such car or, with respect to all cars leased hereunder, at the end of the number of months set forth in Exhibit B from the first day of the calendar month immediately following the month in which the first of the cars leased hereunder is delivered to Lessee; provided, however, that without limiting any other rights Lessor may have against Lessee, if Lessee is responsible for such loss or destruction of a car under Section 9.3, this Agreement with respect to such car shall continue until Lessee pays to Lessor the replacement value of such car as determined under the rules of the Association of American Railroads at the time of such loss or destruction. Notwithstanding the expiration or termination of this Agreement, the obligations of the Lessee hereunder shall

continue in effect with respect to each car until each such car is returned to the possession of Lessor in accordance with Article 14 or settlement is made for such car in accordance with Section 9.4.

Article 3: Delivery

3.1 Date of Delivery

Lessor shall deliver or cause the cars to be delivered to Lessee during the anticipated delivery period set forth in Exhibit B. The obligation of Lessor to deliver the cars in total or in part, shall be excused, and Lessor shall not be liable, for any causes beyond the reasonable control of Lessor (including, but not limited to, delays caused by fire, labor difficulties, delays of carriers and materialmen, governmental authority, or late delivery by the manufacturer or prior lessee of the cars). Lessee shall have the right to terminate this Lease with regard to some or all of the cars if delivery is delayed beyond a reasonable period, or if the delay is unduly burdensome to Lessee. Lessee shall have the right to reject any car not in interchange condition (i.e., fit and suitable for operation under the Interchange Rules (infra) or fit and suitable for the carriage of the commodities contemplated to be shipped by Lessee) at the time of delivery, provided that Lessor shall have the right immediately to make repairs to any rejected car and to deliver it to Lessee.

3.2 Place of Delivery

Lessor shall cause the cars to be delivered to Lessee at the location(s) set forth in Exhibit B.

3.3 Cost of Delivery

All transportation charges related to the delivery of the cars to the location(s) set forth in Exhibit B shall be borne by the party indicated in Exhibit B.

Article 4: Acceptance of Cars

Lessee may elect to inspect each car to determine if it (i) complies with the description set forth in Exhibit A and (ii) is fit and suitable for operation as those terms are defined in the Field Manual and the Office Manual of the Interchange Rules (the "Interchange Rules") adopted by the Association of American Railroads ("AAR") or fit and suitable for the carriage of the commodities contemplated to be shipped by Lessee. Upon such inspection, Lessee shall, if such car complies with the requirements of the preceding sentence, deliver to Lessor a Certificate of Acceptance in the form attached as Exhibit C. Lessee shall not reject delivery of any car delivered hereunder if, with respect to such car, Lessee shall (i) load, or otherwise use the car, or (ii) fail to notify Lessor, within 15 days of the delivery thereof, of Lessee's rejection of the car and the specific reasons why the car does not meet the applicable standards set forth in Exhibit A or the

Interchange Rules. If Lessee rejects any car, Lessor shall have the right to have the rejected car inspected by an inspector acceptable to both Lessor and Lessee. Lessee shall be deemed to have accepted any car for which the inspector determines good cause for rejection did not exist. If the inspector determines good cause for rejection did not exist, Lessee shall pay the expenses of the inspection, including the fees of the inspector. The decision of the inspector shall be final and binding upon the parties. Lessee's acceptance, however effected, shall be deemed effective as of, and the monthly rental shall accrue from, the date a car is delivered to Lessee.

Article 5: Markings

At the time of delivery of the cars by Lessor to Lessee, the cars will be plainly marked on each side with the identification marks selected by IMI. If such markings shall at any time be removed or become illegible, wholly or in part, Lessee shall immediately cause such markings to be restored or replaced at Lessee's expense. Lessee shall not otherwise place, nor permit to be placed, any lettering or marking of any kind upon the cars without notifying Lessor. During the term of this Lease, Lessee may at Lessee's sole cost and expense, place Lessee's own reporting marks on the cars provided Lessee, in letters no smaller than 1 inch in height, places on each car the legend "Leased from PLM Investment Management, Inc."

Article 6: Payment of Rentals

The monthly rental with respect to each car shall be as set forth in Exhibit B, and, subject to Article 2, shall accrue from (and including) the date Lessee's acceptance of such car is deemed effective to (and excluding) the date such car is redelivered in accordance with Article 14. The rental shall be payable to Lessor at the address set forth in Exhibit B, without deduction, reduction, set off or counter claim, except related to this Agreement, in advance, on or before the first day of each month during the term hereof; provided, however, that the rental for each car for the month in which it is delivered shall be prorated for the number of days (including the day of delivery) remaining in such month and shall be payable on or before the first day of the next succeeding calendar month. Rental shall be excused if Lessee is deprived of the use of any cars because of wrecks, substantial damage, latent defects to a car or the occurrence of an event of force majeure. The amount by which rental payments for any month shall exceed the pro rata rental due for the cars leased to Lessee during such month shall be credited against the rental due pursuant to the rental invoice submitted to Lessee during the following month, or if all the cars have been redelivered by Lessee in accordance with Article 14 as of the end of such month and any amount due to Lessee exceeds any amount due from Lessee the following month, such excess shall be paid to Lessee during such following month.

Article 7: Mileage Allowance

Collection

Any per diem or mileage allowances, rentals and/or other compensation payable by railroads by reason of the use of the cars (hereinafter referred to as "allowances") shall be collected by the party whose markings appear on the cars.

To the extent that Lessee shall be entitled to such allowances and to the extent such allowances shall be received by Lessor, Lessor shall do so as the agent (solely for that purpose) of Lessee, and such allowances shall be paid to Lessee within a reasonable time.

Article 8: Title and Usage

8.1 Title to the Cars

Lessee acknowledges and agrees that by the execution of this Agreement it does not obtain, and by payments and performance hereunder, it does not, and will not, have or obtain any title to the cars or any property right or interest therein, legal or equitable, except solely as Lessee hereunder and subject to all of the terms hereof. Lessee shall keep the cars free from any liens or encumbrances created by or through Lessee.

8.2 Usage of the Cars

Lessee will use the cars for the purpose set forth in Exhibit A and will not use the cars for any other purpose without the written approval of Lessor. Lessee agrees to use its best reasonable efforts not to load any of the cars in excess of the load limit stencilled thereon or the limit, if any, set forth in Exhibit A; and, except with respect to the repair of cars, Lessee shall not 1) cut or weld any part of car or cars without the prior written consent of Lessor, or, if the cars are equipped with unloading gates, 2) apply heat to the gates to open them, or for any other purpose.

8.3 Tax Indemnity

Lessee hereby acknowledges that IMI (or the principal(s) for whom IMI acts as agent) have claimed or will claim with respect to the cars the investment tax credit allowable pursuant to Section 38 of the Internal Revenue Code of 1954, as amended (the "Code"), for "Section 38 property" as defined in Section 48(b) of the Code and the deduction under the Accelerated Cost Recovery System on the cars under the Code based upon the recovery method (collectively, the "Tax Benefits"). Lessee shall not permit the cars to be used by any organization described in Section 48(a)(4) of the Code or by a governmental unit described in Section 48(a)(5) of the Code. Lessee further acknowledges that the Tax Benefits with respect to the cars would not be allowable in the taxable year claimed, or the Tax Benefits previously claimed with respect to the cars would be recaptured, if the cars were to be used predominantly

outside the United States within the meaning of Section 48(a)(2)(A) of the Code and therefore agrees to use each car so that the Tax Benefits as permitted by the Code (or any amendment thereof or successor legislation) may be claimed with respect to each car (and not be recaptured or disallowed), but in no event to use each car outside the boundaries of the continental United States unless permitted by Exhibit A, and if so permitted, for no more than the period allowable as set forth in Exhibit A.

If as a result of Lessee's violation of the provisions of this section 8.3 all or any portion of the Tax Benefits shall be unavailable to Lessor (each principal, for this purpose, being treated as a separate Lessor) Lessee shall be required to pay to Lessor an amount which, after deduction of all taxes actually required to be paid by such Lessor on such amount under the laws of any federal, state, local or foreign taxing authority, shall be equal to the sum of (1) the aggregate amount of additional federal income tax (including interest and penalties) payable by such Lessor by reason of any recapture of investment tax credit resulting from such violation and (2) the then present value of the net increase in tax (including interest and penalties) payable by such Lessor by reason of the unavailability or recapture of depreciation deductions under 168(b) of the Code (and concomitant allowance of depreciation under any other section of the Code) resulting from such violation. For purposes of clause (2) of the preceding sentence, depreciation deductions shall be assumed to reduce Lessor's taxes by the product obtained by multiplying such deductions by the sum of (i) the highest marginal federal income tax rate applicable to such Lessor (for taxable years beginning before July 1, 1987) or 34% (for taxable years beginning on or after July 1, 1987) and (ii) 66% of the highest marginal tax rate applicable to Lessor as of the date hereof in California; present value calculations shall be made using a discount rate of 10%.

8.4 Lessee's Right to Transfer or Assign

Lessee shall not transfer or assign the cars or its interest and obligations hereunder, nor shall a transfer or assignment by operation of law or otherwise of Lessee's interest in the cars or this Agreement be effective against Lessor, without Lessor's prior written consent, which consent shall not be unreasonably withheld; provided, however, that notwithstanding the foregoing, Lessee shall have the right to sublet any or all of the cars to such sublessees as Lessee may deem appropriate, and no consent of Lessor thereto shall be necessary, provided that no sublessee shall be permitted to use any of the cars outside the United States so as to cause the loss or recapture of the Investment Tax Credit for the cars for United States federal income tax purposes, nor shall any sublessee be an organization described in Section 48(a)(4) of the Internal Revenue Code (subject to the exceptions contained therein) or a governmental unit described in Section 48(a)(5) of the Internal Revenue Code unless Lessee agrees, in writing, to indemnify Lessor for any such loss of tax benefits in a form reasonably satisfactory to Lessor. No transfer or assignment of this Agreement, or of the cars shall

relieve Lessee from any of its obligations to Lessor hereunder. Any sublease permitted under this Section 8.4 shall include an acknowledgement of the interest of Lessor's mortgagee (if any) in the cars.

8.5 Use of Cars on Certain Roads Under AAR Circular OT-5 Series

Upon the written request of Lessee (which request shall name the railroads involved) Lessor shall use reasonable efforts to cooperate with Lessee to obtain from each named railroad with respect to the cars Authority to Place Privately Owned Freight Cars (other than tanks) in service under the Provisions of AAR Circular OT-5 Series as promulgated by the AAR and all supplements thereto and reissues thereof (such authority hereinafter called the "consent(s)"). Lessor shall furnish to Lessee such information as Lessee may request to apply for and obtain such consents. Lessor, however, shall not be liable for failure of Lessee to obtain such consents for any reason whatsoever and this Agreement shall remain in full force and effect notwithstanding any such failure. However, if Lessee is unable to obtain consents for the cars or any of them, Lessor shall assist Lessee in attempting to obtain a new creditworthy Lessee for any such car or cars, provided that Lessee shall not be excused from any of its obligations under this lease if Lessor, after making reasonably diligent effort, is unable to locate a suitable, creditworthy lessee.

Article 9: Maintenance and Repairs

9.1 Maintenance Responsibility

Except as otherwise provided in Exhibit B to this Agreement, Lessee shall, at its expense, perform or arrange and pay for the performance of all maintenance and repair services on the cars.

9.2 Alterations

Lessee shall not alter the physical structure of any of the cars without the prior written consent of Lessor.

9.3 Responsibility for Lost, Destroyed or Damaged Car

Lessee shall be responsible for and shall indemnify Lessor and hold Lessor harmless and does hereby release Lessor from (as provided in Article 10) the loss or destruction of, or damage to, the cars or any parts thereof, during the term; provided, however, Lessee shall not be responsible to the extent the then-prevailing Interchange Rules places responsibility upon a railroad subscribing to the Interchange Rules; and provided, further, that Lessee shall not be responsible to the extent that such loss, destruction or damage to the cars or parts thereof was caused by the negligence or willful misconduct of Lessor.

Notwithstanding anything contained herein to the contrary, Lessee shall be responsible for and shall indemnify Lessor and hold Lessor harmless and does hereby release Lessor from (as provided in Article 10) the loss or destruction of, or damage to, a car or any part thereof (except for that due to latent design or engineering defects) during the term of this Agreement which shall (i) be occasioned by the misuse or negligence of Lessee, its consignee, agent or sublessee, (ii) occur while such car is on the tracks of Lessee or any private siding or track, or at the loading or unloading facility of Lessee or its consignee, agent or sublessee, or on the track of any railroad that does not subscribe to the Interchange Rules or any private or industrial railroad or (iii) be caused by any commodity, other than Normal Wear and Tear due to the carriage of soda ash, which commodity may be transported or stored in or on such car.

Lessee shall notify Lessor of the loss or destruction of any of the cars within five (5) days of the date Lessee is advised of the occurrence of such event. The amount of loss resulting from the loss or destruction of a car shall be measured by its replacement value as determined under the Interchange Rules immediately at the time of such loss or destruction.

Article 10: Indemnification by Lessee

10.1 Damages, Losses and Injuries Due to Operation of the Cars

Except as otherwise provided by this Agreement, Lessee shall defend (if such defense is tendered to Lessee), indemnify and hold Lessor harmless from and against and does hereby release Lessor from, all claims, suits, liabilities, losses, damages, costs and expenses, including attorney's fees, (collectively referred to as "Claims") in any way arising out of or resulting from the condition, storage, use, loss of use, maintenance, or operation of the cars, except for any claims resulting from Lessor's negligence or willful misconduct. Lessee, upon request from Lessor, shall furnish evidence of insurance against liability for death, bodily injury or property damage with limits of not less than \$1,000,000 per occurrence, and if requested, Lessor shall be an additional insured under such insurance.

Lessor and Lessee shall cooperate with and assist each other in any reasonable manner requested, but without affecting their respective obligations under this Article 10 or Article 9, to establish proper claims against parties responsible for the loss or destruction of, or damage to, the cars.

10.2 Losses to and Damages Caused by Commodities

Except for those losses and damages produced by Lessor's negligence or willful misconduct, Lessor shall not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in the cars, however such loss or damages shall be caused, or shall result, and Lessee shall be responsible for, indemnify Lessor against and hold Lessor harmless and does

hereby release Lessor from Claims therefor. In the event any of the cars or parts thereof, including all interior lading removal devices, special interior linings and items, if any, set forth in Item V of Exhibit A, and removable parts, if any, shall become damaged by any commodity loaded therein, Lessee shall be responsible for such damage, and shall indemnify Lessor against and hold Lessor harmless from, any such Claims therefor according to the same terms of indemnification set forth in Section 10.1.

10.3 Loss of Use of Car

Notwithstanding any provision contained herein to the contrary, Lessor shall not be liable to Lessee for Claims which result from the loss of the use of the car for any reason whatsoever.

Article 11: Taxes and Other Charges

11.1 Lessee Responsibility

Except as otherwise hereinafter provided, Lessee shall pay and indemnify and hold Lessor harmless from all.

(a) taxes including, without limitation, any withholding, property (personal and real, tangible and intangible), value-added, sales, use, or stamp taxes; and

(b) license fees, assessments, charges, levies, imposts, duties, tariffs, customs, switching and demurrage including penalties and interest thereon levied or imposed by any federal, state, local or foreign jurisdiction upon or with respect to the cars, or Lessor's interest in such cars or this lease.

11.2 Lessor Responsibility

Notwithstanding section 11.1, Lessee shall not be responsible for and Lessor shall pay tax imposed by any federal, state, local or foreign jurisdiction which is imposed on or measured by Lessor's net income, capital, net worth or gross receipts (other than in the case of gross receipts taxes in the nature of sales, use or rental taxes), or resulting from any transfer of the Cars or the Lease by the Lessor, other than the transfer hereunder to Lessee.

Article 12: Assignment, Transfers, Encumbrances

All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, and/or Lessor may assign, pledge, mortgage, transfer or otherwise dispose of title to the cars, with or without notice to Lessee. In such event, this Agreement and all rights of Lessee hereunder or those of any person, firm or corporation who claims or who may hereafter claim any rights in this Agreement under or through Lessee, are hereby made subject and subordinate to the terms,

covenants and conditions of any chattel mortgage, conditional sale agreement, equipment trust agreement or other agreements or assignments covering the cars heretofore or hereafter created and entered into by Lessor, its successors or assigns, and to all of the rights of any such chattel mortgagee, assignee, trustee or other holder of legal title to or security interest in the cars; provided, however, that so long as Lessee is not in default hereunder Lessee shall be entitled to use the cars in accordance with the terms and conditions hereof. Any sublease or assignment of the cars permitted by this Agreement that is entered into by Lessee or its successors or assigns shall contain language which expressly makes such assignment or sublease subject to the subordination contained herein. At the request of Lessor or any chattel mortgagee, assignee, trustee, or other holder of the legal title to or security interest in the cars, Lessee at Lessor's expense shall letter or mark the cars to identify the legal owner of the cars and, if applicable, place on each side of each car, in letters not less than one inch in height, the words "Ownership Subject to a Security Agreement Filed with the Interstate Commerce Commission" or other appropriate words reasonably requested.

Any transfer or assignment of, or grant of a security interest in, this Agreement or any interest herein shall be subject to any such transfer, assignment or grant of a security interest set forth in any previous filing with the Interstate Commerce Commission ("ICC").

Article 13: Default by Lessee

If Lessee defaults in the payment of any sum of money to be paid under this Agreement and such default continues for a period of five (5) days after notice to Lessee of such default; or if Lessee fails to perform any material covenant or condition required to be performed by Lessee which failure shall not be remedied within ten (10) days after notice thereof from Lessor to Lessee; or if Lessee shall dissolve, make or commit any act of bankruptcy, or if any proceeding under any bankruptcy, or insolvency statute or any laws relating to relief of debtors is commenced by Lessee, or if any such proceeding is commenced against Lessee and same shall not have been removed within thirty (30) days of the date of the filing thereof, or if a receiver, trustee or liquidator is appointed for Lessee or for all or a substantial part of Lessee's assets with Lessee's consent, or if without Lessee's consent the same shall not have been removed within thirty (30) days of the date of the appointment thereof; or if an order, judgment or decree be entered by a court of competent jurisdiction and continue unpaid and in effect for any period of thirty (30) consecutive days without a stay of execution; or if a writ of attachment or execution is levied on any car and is not discharged within ten (10) days thereafter, Lessor may exercise one or more of the following remedies with respect to the cars:

(a) Immediately terminate this Agreement and Lessee's rights hereunder;

(b) Require Lessee to return the cars to Lessor at Lessee's expense, and if Lessee fails to so comply, Lessor may take possession of such car without demand or notice and without court order or legal process;

(c) Lease the cars to such persons, at such rental and for such period of time as Lessor shall elect. Lessor shall apply the proceeds from such leasing less all cost and expenses incurred in the recovery, repair, storage and renting of such cars, toward the payment of Lessee's obligations hereunder. Lessee shall remain liable for any deficiency, which, at Lessor's option, shall be paid monthly, as suffered, or immediately, or at the end of the term as damages for Lessee's default;

(d) Bring legal action to recover all rent or other amounts then accrued or thereafter accruing from Lessee to Lessor under any provision hereunder; or

(e) Pursue any other remedy which Lessor may have.

Each remedy is cumulative and may be enforced separately or concurrently. If Lessee fails to perform any of its obligations hereunder, Lessor, at Lessee's expense, and without waiving any rights it may have against Lessee for such nonperformance, may itself render such performance. Further, Lessee shall reimburse Lessor for all costs and expenses including reasonable attorney's fees expended by Lessor in the enforcement of its rights and remedies hereunder, and Lessee shall pay interest on any amount owing to Lessor from the time such amount becomes due hereunder at a rate per annum equal to the reference rate of the Bank of America NT&SA, such rate to be reduced, however, to the extent it exceeds the maximum rate permitted by applicable law. In addition, Lessee shall, without expense to Lessor, assist Lessor in repossessing the cars and shall, for a reasonable time if required, furnish suitable trackage space for the storage of the cars.

If applicable, Lessor shall be entitled to the remedies of a lessor under Section 1168 of the U.S. Bankruptcy Code.

Article 14: Delivery at End of Term

Lessee shall not redeliver the cars prior to the end of the term without the prior consent of Lessor. At the end of the term, Lessee, at its expense, shall deliver each car to Lessor, or to a subsequent lessee, at the point designated by Lessor (but not to exceed 500 miles from the location of the cars), empty, free from soda ash, and in the same good order and clean condition as it was delivered by Lessor to Lessee, ordinary wear and tear and repairs that Lessor is required to make pursuant to Article 9 excepted. Lessee shall, on demand, reimburse Lessor for the reasonable expense of cleaning any car that contains soda ash or such other cost which may be incurred to place a car in the condition described above provided Lessee shall

have the right, but not the obligation, to inspect any such cars as provided, and such inspection and the expense shall be governed by the procedures set forth in Article 4.

If any car is not redelivered to Lessor or not delivered to a subsequent lessee on or before the date on which the term ends or in the event that a car so delivered is not in the condition required by this Article 14, Lessee shall pay rental for each day that each car is not delivered as required herein or until each car is delivered in the condition required, at the prorated monthly rental rate set forth in Exhibit B. Lessee shall pay to Lessor on or before the last day of each month the amount Lessee is obligated to pay to Lessor for such month under this Article 14. In addition to any other indemnity provided herein and any payments to be made to Lessor hereunder, Lessee shall also indemnify and hold Lessor harmless from and against all Claims whatsoever, including those asserted by a subsequent lessee, arising out of, or as a result of, such late delivery or failure to deliver in the condition required, but not exceeding an amount equal to 150% of the monthly rental reserved to Lessor for each car, prorated for partial months.

Article 15: Warranties and Representations

LESSOR MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER MATTER CONCERNING THE CARS. During the term of this Agreement and so long as Lessee renders faithful performance of its obligations, Lessor hereby assigns any factory or dealer warranty, whether express or implied, or other legal right Lessor may have against the manufacturer in connection with defects in the cars covered by this Agreement.

Article 16: Status of Lessee

Lessee represents and warrants that, as of the date of this Agreement:

(a) Texasgulf Inc. is a corporation duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and is either duly qualified to do business and is in good standing in such other jurisdictions in which the business and activities of Lessee require such qualification or its failure to so qualify in such other jurisdiction will not have a material adverse impact on this Agreement.

(b) Lessee has full power to enter into this Agreement.

(c) The Agreement had been duly authorized, executed and delivered by Lessee, and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms.

(d) No approval is required by Lessee from any governmental or public body or authority with respect to the entering into or performance of this Agreement.

(e)The entering into and performance of this Agreement will not conflict with, or result in a breach of, the terms, conditions or provisions of (i) any law, or any regulation, order, injunction, permit, franchise or decree of any court or governmental instrumentality and (ii) any indenture, agreement or other instrument to which Lessee is party or by which it or any of its property is bound.

(f)Lessee is neither an organization described in Section 48(a)(4) nor a governmental unit described in Section 48(a)(5) of the Internal Revenue Code of 1954, as amended.

Article 17: Right of Inspection

Lessor or its assignee shall have the right, at any reasonable time, and without interfering with Lessee's operations, to inspect the cars, by its authorized representative, wherever they may be located, for the purpose of determining compliance by Lessee with its obligations hereunder. Lessee shall use its best reasonable effort to obtain permission, if necessary, for Lessor or its authorized representative to enter upon any premises where the cars may be located.

Article 18: Reports and Notices

18.1 Car Movement

Annually, in writing, Lessee shall report to Lessor the mileage of the cars.

18.2 Notification of Damage or Injury

Lessee shall notify Lessor, within a reasonable period of time, of any accident or malfunction in connection with the operation of the cars, including in such report the time, place and nature of the accident, the damage caused to any property, the names and addresses of persons injured and of witnesses, and other such information as may be pertinent to Lessor's investigation of such accident.

18.3 Notification of Liens

Lessee shall notify Lessor within five (5) days after any attachment, lien (including any tax and mechanics' liens), or other judicial process attaches to the cars.

18.4 Report of Location

Within five (5) days after receipt of written demand from Lessor, Lessee shall give Lessor notice of the location of the cars to the best of its ability.

18.5 Addressing of Notices

All notices required or permitted hereunder shall be in writing and shall be deemed delivered upon actual receipt. Such notices shall be delivered to the respective parties hereto by personal delivery thereof or by telegram, telex, telecopier or deposit in the United States mail as certified or registered matter, return receipt requested, postage prepaid, and addressed to the respective parties as set forth in Exhibit B, unless otherwise advised in writing.

Article 19: Compliance With Laws

Lessee shall comply with all governmental laws, rules, regulations, requirements and the Interchange Rules (collectively referred to as the "Rules") with respect to the use and operation of the cars, and if the cars have any interior lading protective devices, special interior linings and items, if any, set forth on Exhibit A, or removable parts, the maintenance of such devices, linings or parts. Lessor shall further comply with the Rules in the event such Rules require a change or replacement of any equipment or appliance on the cars or in case any additional or other equipment or appliance is required to be installed on the cars (collectively referred to as "Alterations"). If such Alterations are required, Lessor shall have a reasonable period of time (not exceeding 180 days) to make such Alterations and return such car or cars to Lessee or terminate this Lease with respect to such car or cars. Lessee shall deliver the cars to such shop or shops and at such time or times as Lessor shall designate for the purpose of making any Alterations. Rental charges for such car or cars shall abate from and after the date when such car is so delivered by Lessee to the railroad for movement of such car to the designated repair shop until it is returned to service. If a car is altered in accordance with this Article 19, the rental rate for such a car for each month after such a car is altered shall be determined in accordance with Exhibit B.

Article 20: Administration of Agreement

The parties hereto recognize and acknowledge that IMI may be acting under management agreements as agent for certain principals which shall be identified to Lessee by IMI from time to time. Such principals shall, from time to time, be set forth in Exhibit D to this Agreement. IMI at any time, and from time to time, shall have the right to add principals (and amend or supplement Exhibit D to include such principals) and upon so doing shall notify Lessee; provided, however, that notwithstanding the date of such notification, such principal(s) shall be deemed a Lessor hereunder effective as of the date the cars owned by such principal and managed by IMI are delivered to Lessee. Any amended or supplemented Exhibit D shall, from time to time, be delivered to Lessee. Lessee agrees to cooperate with IMI and any principal for the purpose of complying with any reasonable requirements of any lender, the ICC or the provisions of Article 9 of the Uniform Commercial Code provided such cooperation does not affect the rights or liabilities of Lessee hereunder. Except as otherwise provided in Article 12, this Agreement shall

be administered by IMI or such other third person or entity as IMI may from time to time identify; provided, however, that any such assignment to such third person or entity shall not be effective against Lessee until Lessee is so notified of such assignment.

Article 21: Miscellaneous

21.1 Entire Agreement

This Agreement, together with any and all exhibits attached hereto, constitutes the entire agreement between Lessor and Lessee and it shall not be amended, altered, varied or changed except by written agreement signed by the parties hereto. This Agreement is intended to cover all rights to indemnity between the parties hereto. No waiver of any provision of this Agreement nor consent to any departure by Lessee therefrom shall be effective unless the same shall be in writing signed by both parties, and then such waiver of consent shall be effective only in the specific instance and for the purpose for which given.

21.2 Governing Law

This Agreement shall be interpreted under and performance shall be governed by the laws of the State of California.

21.3 Conflict with Interchange Rules

This Agreement shall govern in the event the Interchange Rules conflict with any provision of this Agreement.

21.4 Severability

If any term or provision of this Agreement or the application 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.

21.5 Headings

The headings that have been used to designate the various Sections and Articles hereof are solely for convenience in reading and ease of reference and shall not be construed in any event or manner as interpretative or limiting the interpretation of the same.

21.6 Survival

All indemnities contained in this Agreement shall survive the termination hereof. In addition, the obligation to pay any deficiency as well as the obligation for any and all other payments by Lessee to Lessor hereunder shall survive the termination of this Agreement.

21.7 Assignment of Rights

Except as otherwise provided in Section 8.4 and Article 12, this Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed and delivered as of the date first above written.

PLM INVESTMENT MANAGEMENT, INC.

DATE: _____

By *Robert A. Feliciano*

TEXASGULF INC.

DATE: _____

By *Earl L. Huntington*
EARL L. HUNTINGTON
SENIOR VICE PRESIDENT

LEG-095

EXHIBIT A

NUMBER AND DESCRIPTION OF ITEMS OF EQUIPMENT

- I. NUMBER OF ITEMS OF EQUIPMENT:
One hundred eighty (180)
- II. DESCRIPTION OF ITEMS OF EQUIPMENT
100 ton, 4,750 c.f. covered hopper cars
- III. THE ITEMS OF EQUIPMENT MAY BE USED ONLY FOR THE TRANSPORTATION OF THE FOLLOWING TYPES OF COMMODITIES:
Soda ash
- IV. USE OF THE ITEMS OF EQUIPMENT OUTSIDE BOUNDARIES OF CONTINENTAL UNITED STATES:
The cars may be used in international service to and from Canada and Mexico.
- V. SPECIAL ITEMS:
None
- VI. CAR NUMBERS:
See Schedule 1 attached hereto.

EXHIBIT B

DELIVERY; RENTAL RATE; TERM

I. ANTICIPATED DELIVERY PERIOD:

June - August, 1986

II. PLACE OF DELIVERY:

Salt Lake City, Utah

III. COST OF DELIVERY TO BE BORNE BY:

Lessor

IV. RENTAL RATE:

\$150.00 per car per month

V. MILEAGE ALLOWANCES TO BE FOR THE ACCOUNT OF:

Lessee

VI. MAINTENANCE RESPONSIBILITIES OF LESSOR:

None

VII. TERM:

Five years

VIII. ADDRESSING OF NOTICES:

Lessee to Lessor

PLM Investment Management, Inc.
655 Montgomery Street
Suite 1200
San Francisco, California 94111

Lessor to Lessee

Texasgulf Inc.
P.O. Box 10037
High Ridge Park
Stamford, Connecticut 06904-2037
Attn: Treasurer

with copies to:

Texasgulf Chemicals Company
P.O. Box 30321
Raleigh, North Carolina 27622-0321

EXHIBIT C
CERTIFICATE OF ACCEPTANCE OF
RAILROAD CAR

This Certificate relates to the cars listed below leased by PLM Investment Management Inc., to Texasgulf Inc. under a Lease Agreement for cars dated August 5, 1986 (the "Lease") into which this Certificate is incorporated (by Article 4 thereof).

Railroad Car Numbers

See Schedule 1 attached hereto.

Lessee hereby certifies its acceptance of the cars.

Lessee hereby certifies that the representations and warranties of Lessee contained in the Lease are true and correct on the date hereof.

Executed: June 30, 1986

TEXASGULF INC.

By _____

(Title): _____

EXHIBIT D

<u>Name of Principal</u>	Car Numbers of Cars Owned <u>Address of Principal</u>	<u>by Principal</u>
RMI Covered Hopper Railcar Management Program 79-1	655 Montgomery Street San Francisco, CA 94111	See Schedule 1 to be provided

Schedule 1

TEXASGULF CHEMICALS COMPANY

180 CARS

11128	11661	11768	11788	11863
11130	11662	11769	11789	11864
11131	11663	11770	11790	11865
11132	11664	11771	11791	11866
11133	11665	11772	11792	11867
11134	11666	11773	11847	11868
11136	11745	11774	11848	11869
11137	11746	11775	11849	11870
11138	11754	11776	11850	11871
11139	11757	11777	11852	12318
11140	11758	11778	11853	12379
11141	11759	11779	11854	12380
11143	11760	11780	11855	12381
11144	11761	11781	11856	12382
11145	11762	11782	11857	12383
11146	11763	11783	11858	12384
11147	11764	11784	11859	12385
11148	11765	11785	11860	12386
11149	11766	11786	11861	12387
11150	11767	11787	11862	12388

12389	12420	12586	12616
12390	12421	12587	12619
12391	12422	12588	12620
12392	12423	12589	12621
12393	12424	12590	12624
12394	12425	12592	12625
12395	12426	12593	12643
12396	12427	12594	12645
12397	12428	12595	12647
12398	12429	12597	12648
12410	12430	12599	12649
12411	12431	12600	12650
12412	12432	12601	12652
12413	12433	12604	12653
12414	12434	12606	12654
12415	12435	12607	12656
12416	12581	12608	12657
12417	12583	12612	12658
12418	12584	12613	12659
12419	12585	12615	12660

EXHIBIT D

Name of Principal

Address of Principal

Car Numbers
of Cars
Owned
by Principal