

AUG 30 1985 - 1 55 PM

**INDIVIDUAL EQUIPMENT RECORD ("IER")
INTERSTATE COMMERCE COMMISSION**

IER NO. 14209-001

SMC
29 DAT

Dated as of August 28, 19 85 to that Equipment Lease Agreement ("Lease") dated as of August 28 1985 between:

LESSOR: MDFC Equipment Leasing Corporation
P.O. Box 580
~~100 Ocean Gate, Suite 900~~ 340 Golden Shore
Long Beach, California 90801

LESSEE: Asarco Incorporated
180 Maiden Lane
New York, NY 10038

LOCATION OF EQUIPMENT: New York, NY

SMC
29 DAT

ACCEPTANCE AND COMMENCEMENT DATE: August 28, 1985

New <u>XX</u> Used _____	Lessee's Purchase Order No. _____	Term: <u>13</u> year(s) <u>6</u> month(s)
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<p>Sale and Use Tax:</p> <p><input type="checkbox"/> Exempt documentation attached</p> <p><input type="checkbox"/> Sales tax included in cost</p> <p><input checked="" type="checkbox"/> Use tax to be added to rentals</p>	<p>INSURANCE REQUIREMENTS:</p> <p>ALL RISK: Stipulated loss value.</p> <p>LIABILITY: Bodily Injury Liability: \$ _____ 5,000,000 per person/per accident: \$ _____ 5,000,000 Property Damage Liability: \$ _____ 5,000,000 per accident: \$ _____ 5,000,000</p>
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RENTAL: \$ N/A payable upon execution of this IER, to be applied to the N/A rental installment. Payment of the 1st through 54th rental installments, each such rental installment to be in the amount of \$ 71,796.06 ~~75,320.78~~, shall commence on November 28, 1985 *SMC* and shall continue thereafter to be payable on the 28-29 ~~1st~~ day of each February, May, August, November.

EQUIPMENT DESCRIPTION AND SERIAL NO. (S) (SEE ATTACHED INVOICES):		
Equipment Description	Serial No.	Equipment Cost
Seventy (70) ACF 13,350 Gallon Steel Plated Acid Carrying Railroad Tank Cars @ \$34,200.00 per unit	See Attachment	\$2,394,000.00
Freight		<u>117,530.00</u>
Total		<u>\$2,511,530.00</u> <i>DAT</i> <i>SMC</i>
*Each rental payment will require a written notice from MDFC of when payment is due and the installment amount.		

SPECIAL CONDITIONS:

The Lessor hereby leases to Lessee, and Lessee hereby agrees to hire from Lessor, the equipment described herein. The Lessee hereby acknowledges and agrees, respecting the equipment described herein:

- (1) That Lessee has inspected the equipment fully and completely as to size, model, function and conformity to the purchase order.
- (2) That the equipment is of a size, design, function and manufacturer selected by Lessee.
- (3) That Lessee is satisfied that the equipment is suitable for its intended purposes and any special purposes of Lessee.
- (4) THAT LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS

NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSOR HAS NOT MADE AND DOES NOT MAKE, BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT OF THIS LEASE, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO TITLE, CONDITION, COMPLIANCE WITH SPECIFICATIONS, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR TO ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT. THE EQUIPMENT IS LEASED HEREUNDER "AS IS".

(5) THAT THE EQUIPMENT IS NEW AND UNUSED, AND THAT THE EQUIPMENT HAS BEEN DELIVERED TO, IS NOW IN POSSESSION OF AND ACCEPTABLE TO LESSEE, AND THAT ALL OF THE EQUIPMENT IS ELIGIBLE FOR INVESTMENT TAX CREDIT OF NOT LESS THAN _____% (OR _____% IF LESSOR SO ELECTS PURSUANT TO SECTION 48(q)(4) OF THE INTERNAL REVENUE CODE) AND IS ELIGIBLE FOR ACRS DEDUCTIONS EQUAL TO _____% OF EQUIPMENT COST (OR EQUAL TO 100% OF EQUIPMENT COST IF LESSOR ELECTS THE REDUCED INVESTMENT TAX CREDIT PURSUANT TO SECTION 48(q)(4)).

(6) THAT ALL OF THE EQUIPMENT IS _____-YEAR RECOVERY PROPERTY.

The Lessee hereby represents and warrants that:

- (1) The representations and warranties of the Lessee contained in the Lease are true and correct on and as of the date hereof as though made on and as of this date.
- (2) No event has occurred and is continuing or will result from the lease of the equipment described herein which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time lapse or both.

Dated as of the Commencement Date (to be filled in by Lessee on front page of this IER).

LESSOR: MDFC EQUIPMENT LEASING CORPORATION

LESSEE:

By _____

By _____

Title _____

Title _____

ASARCO SERIAL NOS.

ASTX 2153
ASTX 2154
ASTX 2155
ASTX 2164
ASTX 2180
ASTX 2181
ASTX 2189
ASTX 2198
ASTX 2150
ASTX 2152
ASTX 2157
ASTX 2160
ASTX 2168
ASTX 2169
ASTX 2174
ASTX 2178
ASTX 2179
ASTX 2182
ASTX 2183
ASTX 2184
ASTX 2190
ASTX 2192
ASTX 2194
ASTX 2204
ASTX 2205
ASTX 2206
ASTX 2156
ASTX 2158
ASTX 2165
ASTX 2175
ASTX 2193
ASTX 2197

ASTX 2200
ASTX 2201
ASTX 2203
ASTX 2208
ASTX 2209
ASTX 2151
ASTX 2159
ASTX 2161
ASTX 2172
ASTX 2173
ASTX 2185
ASTX 2186
ASTX 2188
ASTX 2196
ASTX 2199
ASTX 2210
ASTX 2142
ASTX 2143
ASTX 2147
ASTX 2144
ASTX 2145
ASTX 2146
ASTX 2148
ASTX 2149
ASTX 2166
ASTX 2141
ASTX 2163
ASTX 2170
ASTX 2171
ASTX 2177
ASTX 2162
ASTX 2167

ASTX 2176
ASTX 2187
ASTX 2191
ASTX 2195
ASTX 2202
ASTX 2207

STIPULATED LOSS VALUES

Before
Payment
Number
1
S.L.V.
as a Percent
of Original Cost
102.1

<u>After</u> <u>Payment</u> <u>Number</u>	<u>S.L.V.</u> <u>as a Percent</u> <u>of Original Cost</u>	<u>After</u> <u>Payment</u> <u>Number</u>	<u>S.L.V.</u> <u>as a Percent</u> <u>of Original Cost</u>	<u>After</u> <u>Payment</u> <u>Number</u>	<u>S.L.V.</u> <u>as a Percent</u> <u>of Original Cost</u>
01	102.3	18	83.3	36	61.1
02	102.5	19	82.7	37	59.5
03	102.6	20	82.0	38	57.9
04	102.7	21	77.6	39	56.1
05	98.9	22	76.9	40	54.4
06	98.9	23	76.0	41	52.5
07	98.7	24	75.2	42	50.7
08	98.5	25	74.3	43	48.7
09	94.6	26	73.3	44	46.8
10	94.3	27	72.3	45	44.8
11	94.0	28	71.3	46	42.8
12	93.7	29	70.2	47	40.8
13	89.6	30	69.1	48	38.7
14	89.1	31	67.9	49	36.6
15	88.7	32	66.6	50	34.4
16	88.2	33	65.3	51	32.2
17	83.9	34	63.9	52	30.0
		35	62.5	53	27.7
				54	25.0
				thereafter	25.0

ASARCO

SPECIAL CONDITIONS

RETURN CONDITIONS
RAILROAD TANK CARS

Upon the expiration or earlier termination of this Lease with respect to any unit of equipment Lessee, at its expense, shall deliver possession of each unit of equipment to Lessor or its designee, or to a subsequent lessee, at a storage or terminal facility within the Continental United States designated by Lessor prior to such expiration or termination. At the time of delivery, each item of equipment shall be empty, free from residue, and free from any rust and corrosion (including any damage caused by caustic freight) which measurably impairs the value of any unit of the equipment, mechanically and structurally sound with no missing or damaged parts and in the same good order and condition as when delivered to Lessee hereunder (normal wear and tear excepted), and in the condition and repair required according to the Interchange Rules of the Association of American Railroads. At the time of the return of the equipment, an independent, recognized entity selected by Lessor and consented to by Lessee (whose consent shall not be unreasonably withheld), which in the course of its business inspects personal property similar to that which is the subject of this Lease, shall inspect and examine the equipment for the purpose of determining if it is in the condition required hereunder at the time of return. The fees and expenses of said entity shall be paid by Lessor only. Lessee shall be responsible for effectuating all repairs, additions or replacements recommended by said entity as being necessary to place the equipment into the condition required hereunder at the time of return.

If requested by Lessor, Lessee shall provide Lessor with free storage of the equipment, upon suitable storage tracks, for a period not exceeding 90 days from the date this Lease is terminated or expires. Lessee shall deliver possession of such stored equipment to Lessor or its designee as soon as practicable upon receipt of written instructions from Lessor but in no event later than 30 days from the date of receipt of such instructions. All movement and storage of each such unit of equipment during such storage period is to be at the risk and expense of the Lessor. During any storage period, Lessee will, upon at least 10 days' prior written notice, permit or arrange permission for Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such unit of equipment, to inspect the same; provided however that Lessee shall not be liable, except in the case of negligence of the Lessee or any of its employees, for any injury to, or the death of, any persons exercising such right of inspection.

If any unit of equipment is not delivered to Lessor or its designee or if any such unit of equipment shall require repair, all in accordance with the provisions herein set forth, Lessee shall pay rental for each day that such unit of equipment is not so delivered or for each day during which repairs are being made, at the then current rental rate required under this Lease, prorated on a daily basis. Lessee shall pay Lessor on or before the last day of each month any amounts which Lessee is obligated to pay to Lessor under this Section.

In addition to any other indemnity provided herein and any payments to be made to Lessor hereunder, Lessee also indemnifies and holds Lessor harmless from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, including those asserted by a subsequent lessee, arising out of or as a result of such late delivery, except those arising out of Lessor's negligence, Lessor's failure to timely provide instructions as specified herein, or if Lessee shall be prevented or delayed from performing any of the obligations on its part to be performed hereunder by reason of act of God or nature; strike or threat of strike; fire; flood; interruption or delay in transportation; war; insurrection or mob violence; shortage of labor, equipment or material; requirement or regulation of government; or any disabling cause without regard to the foregoing enumeration, beyond the reasonable control of Lessee. Lessee shall be relieved of all liability and responsibility hereunder upon delivery to and acceptance of each unit of equipment by Lessor or its designee.



ACF INDUSTRIES

INCORPORATED

AMCAR DIVISION

PLEASE SEND CHECKS ONLY TO
ACF INDUSTRIES, INCORPORATED
AMCAR DIVISION
1370 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019
ATTENTION TREASURER

INVOICE DATE 7/31/65

LOT NO. 1001

CUSTOMER

AMCAR DIVISION

INVOICE NO. 4416416

EVERETT 1/4" x 1/2" x 1/4" x 1/4"
100% CUMULATIVE
100% CUMULATIVE
1/2" x 1/2" x 1/4" x 1/4"
Lettered - 200X
Numbered - 200X thru 1000

\$34,200.00 EA

\$2,394,000.00

WE REPRESENT THAT THE GOODS COVERED BY THIS INVOICE WERE PRODUCED IN COMPLIANCE WITH
ALL REQUIREMENTS OF THE FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED.

* CORRESPONDENCE SHOULD BE ADDRESSED TO:			
<input type="checkbox"/>	P.O. BOX 547, HUNTINGTON, W. VA. - 25710	<input type="checkbox"/>	P.O. BOX 12270, SOULARD STATION ST. LOUIS, MISSOURI 63157
<input type="checkbox"/>	P.O. BOX 109, MILTON, PENN'A - 17847	<input type="checkbox"/>	

SPECIAL CONDITIONS:

On this the 29th day of August 1985, before me, Frances A. Machado, the undersigned Notary Public, personally appeared Daniel O. Anderson, personally known to me to be the person who executed the within instrument as Vice President on behalf of the corporation therein named, and acknowledge to me that the corporation executed it.

(Notary Seal)

Frances A. Machado
Notary Signature



The Lessor hereby leases to Lessee, and Lessee hereby agrees to hire from Lessor, the equipment described herein. The Lessee hereby acknowledges and agrees, respecting the equipment described herein:

- (1) That Lessee has inspected the equipment fully and completely as to size, model, function and conformity to the purchase order.
- (2) That the equipment is of a size, design, function and manufacturer selected by Lessee.
- (3) That Lessee is satisfied that the equipment is suitable for its intended purposes and any special purposes of Lessee.
- (4) THAT LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSOR HAS NOT MADE AND DOES NOT MAKE, BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT OF THIS LEASE, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO TITLE, CONDITION, COMPLIANCE WITH SPECIFICATIONS, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR TO ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT. THE EQUIPMENT IS LEASED HEREUNDER "AS IS".

(5) THAT THE EQUIPMENT IS NEW AND UNUSED, AND THAT THE EQUIPMENT HAS BEEN DELIVERED TO, IS NOW IN POSSESSION OF AND ACCEPTABLE TO LESSEE, AND THAT ALL OF THE EQUIPMENT IS ELIGIBLE FOR INVESTMENT TAX CREDIT OF NOT LESS THAN 10 % (OR 8 % IF LESSOR SO ELECTS PURSUANT TO SECTION 48(q)(4) OF THE INTERNAL REVENUE CODE) AND IS ELIGIBLE FOR ACRS DEDUCTIONS EQUAL TO 25 % OF EQUIPMENT COST (OR EQUAL TO 100% OF EQUIPMENT COST IF LESSOR ELECTS THE REDUCED INVESTMENT TAX CREDIT PURSUANT TO SECTION 48(q)(4)).

(6) THAT ALL OF THE EQUIPMENT IS 10 YEAR RECOVERY PROPERTY.

The Lessee hereby represents and warrants that:

- (1) The representations and warranties of the Lessee contained in the Lease are true and correct on and as of the date hereof as though made on and as of this date.
- (2) No event has occurred and is continuing or will result from the lease of the equipment described herein which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time lapse or both.

Dated as of the Commencement Date (to be filled in by Lessee on front page of this IER).

LESSOR: MDFC EQUIPMENT LEASING CORPORATION

LESSEE:

By *Daniel O Anderson*

By *J. Melanollin*

Title *VICE PRESIDENT*

Title *V.P. & Treasurer*

On this the 29th day of August 1985, before me, Meaghan C. Rock, the undersigned Notary Public, personally appeared Stephen P. McCandless, personally known to me to be the person who executed the within instrument as Vice President and Treasurer on behalf of ASARCO Incorporated, and acknowledged to me that the corporation executed it.

(Notary Seal)

MEAGHAN C. ROCK
Notary Public, State of New York
No. 36-4818487
Qualified in Orange County
Certified in New York County
Commission Expires March 30, 1986

Meaghan C. Rock
Notary Signature