

Portec Lease Corp.
300 Windsor Drive
Oak Brook, Illinois 60521

Telephone 312 920-4600



RECORDATION NO. 13081

MAY 5 - 1981 - 10 20 AM

LETTER OF TRANSMITTAL INTERSTATE COMMERCE COMMISSION

RECEIVED
MAY 5 10 14 AM '81
I.C.C.
OPERATION BR.

Secretary of the Interstate
Commerce Commission
Constitution and 12th Street, N.W.
Washington, D. C. 20423

No. 1-13081-100
Date MAY 5 1980
Fee \$ 50.00
ICC Washington, D. C.

Dear Sir:

Pursuant to Part 1116 of the regulations of the Interstate Commerce Commission, 49 CFR part 1116, I hereby request that you record under 49 U.S.C. § 11303 that certain Equipment Lease dated as of May 1, 1981 between Portec Lease Corp. and International Minerals & Chemical Corporation. The original and two counterparts of said Lease are enclosed herewith for filing purposes.

Lessee

International Minerals & Chemical Corporation
421 East Hawley Street
Mundelein, Illinois 60060

Lessor

Portec Lease Corp.
300 Windsor Drive
Oak Brook, Illinois 60521

The equipment covered by the aforesaid Lease is 85 covered hopper cars. The A.A.R. mechanical designation of the equipment is "LO" and the car numbers are IMCX 11600 to IMCX 11684, both inclusive.

The original and all extra copies of the enclosed documents should be returned to Mr. Gearold Knowles of Schiff Hardin & Waite, 1101 Connecticut Avenue, N.W., Washington, D. C. 20036.

A \$50.00 check, payable to the Interstate Commerce Commission, also is enclosed to cover the required recordation fee.

Countersigned - James P. Cullen



PORTEC

Secretary of the Interstate
Commerce Commission

May 4, 1981

Page Two

I am an officer of Portec Lease Corp. and have knowledge
of the matters set forth herein.

Yours very truly,

PORTEC LEASE CORP.

By Wallace Lunsford
Vice President

Dated: May 4, 1981

Interstate Commerce Commission
Washington, D.C. 20423

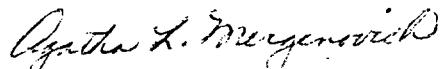
OFFICE OF THE SECRETARY

Mr. Gearold Knowles
Schiff, Hardin & Waite
1101 Connecticut Avenue, N. W.
Washington, D. C. 20036

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 5/5/81 at 10:20AM, and assigned re-
recording number(s). 13081

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

RECORDATION NO. 13081

MAY 5 - 1981 - 10 20 AM

INTERSTATE COMMERCE COMMISSION

050181

LEASE OF RAILROAD EQUIPMENT

THIS LEASE OF RAILROAD EQUIPMENT, dated as of May 1, 1981, is between PORTEC LEASE CORP., a Delaware corporation ("Lessor"), and INTERNATIONAL MINERALS & CHEMICAL CORPORATION, a New York corporation ("Lessee").

WHEREAS, pursuant to purchase order No. 111 placed with PORTEC, Inc. ("Builder") by Lessor in anticipation of and reliance upon this Lease, and accepted by Builder, Builder has agreed to manufacture, sell and deliver to Lessor the units of railroad equipment described in Schedule A hereto (the "Equipment"), such purchase order, as so accepted and as the same may be hereafter amended, modified or supplemented, being herein sometimes called the "Purchase Order"; and

WHEREAS, Lessee desires to lease such number of units of Equipment ("Units"), subject to delivery and acceptance thereof as provided in this Lease, at the rentals and upon the terms and conditions hereinafter provided;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by Lessee, Lessor hereby leases the Units to Lessee upon the following terms and conditions:

SECTION 1. NET LEASE OF EQUIPMENT.

This Lease is a net lease and, except as herein provided, the Lessee shall not be entitled to any abatement of rent or any other amounts due hereunder, reduction thereof or setoff against rent or such other amounts, including, but not limited to, abatements, reductions, counterclaims or setoffs due or alleged to be due by reason of any past, present or future claims whatsoever of the Lessee against the Lessor under this Lease or otherwise or against any assignee of Lessor or against Builder. Lessee's obligation to pay all rentals and other amounts hereunder shall be absolute and unconditional under any and all circumstances, and except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the lawful prohibition of or other lawful restriction against the Lessee's use of all or any of the Units, the

interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization or approval of this Lease, any insolvency of or bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

SECTION 2. DELIVERY AND ACCEPTANCE OF UNITS.

(a) Lessor will cause each Unit to be tendered to Lessee at the place of delivery specified in Schedule A hereto ("Delivery Point"), provided, however, that no Unit shall be shipped to the Delivery Point after May 15, 1981 (and instead shall be excluded from this Lease) unless the delay in shipment until after that date either is approved in advance of shipment by Lessee or is due to causes beyond the reasonable control of both Lessor and Builder, in either of which cases such later shipment shall be permitted. Upon such tender, Lessee will cause an inspector designated and authorized by Lessee to inspect the same and, if such Unit is found to conform to the specifications referred to in Schedule A hereto ("Specifications") to accept delivery of such Unit, and Lessee shall execute and deliver to Lessor a certificate of acceptance ("Certificate of Acceptance") substantially in the form annexed hereto as Schedule B whereupon such Unit shall be deemed to have been delivered to and accepted by Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

(b) Lessee's execution and delivery to Lessor of a Certificate of Acceptance with respect to each Unit shall conclusively establish, between Lessor and Lessee (but without prejudice to any rights either may have against Builder), that Lessee has inspected the Unit and that the Unit is acceptable to and accepted by Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition or in any other respect.

SECTION 3. RENT.

(a) With respect to each Unit subject to this Lease, the Lessee will pay to the Lessor as basic rentals 60 consecutive monthly payments payable on the first day of each month in advance. The first such payment shall be made on the first day of the month next succeeding the average date of acceptance of all Units delivered hereunder. Each monthly basic rental payment shall be in an amount equal to \$375.00 per unit. Rent with respect to any Unit which is accepted prior to the date on which rent payments commence ("Commencement Date") shall include a supplemental payment for such Unit to be made on the

Commencement Date in an amount equal to \$12.50 per day for each day by which the date of acceptance of such Unit precedes the Commencement Date. Rent with respect to any Unit which is accepted after the Commencement Date shall be reduced by an amount equal to \$12.50 per day for each day by which the date of acceptance of such Unit succeeds the Commencement Date, such reduction to be made in the rent payment due on the first day of the month which immediately follows the date of acceptance for such Unit.

(b) All rent payments to be made to Lessor hereunder shall be made at such place within the United States of America as Lessor shall specify in writing, but in the absence of such specification shall be made at Lessor's office at 300 Windsor Drive, Oak Brook, Illinois 60521. If Lessor specifies in writing as a place of payment of rent, the office of a bank that can handle a bank wire transfer of funds, Lessee agrees to make each such payment to Lessor in Federal or other funds, immediately available to Lessor by 11:00 a.m., local time at the place of payment, on the date such payment is due.

(c) If any of the monthly rental payment dates referred to above is not a business day, the monthly rental payment otherwise payable on such date shall then be payable on the next succeeding business day. The term "business day" as used herein means a calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois are authorized or obligated to remain closed.

SECTION 4. TERM OF LEASE.

The term of this Lease shall begin on the date of acceptance of the first Unit hereunder and continue for 60 consecutive months, commencing with the first day of the month next succeeding the average date of acceptance of all Units delivered hereunder, and terminating on the last day of the month during which the 60th monthly rental payment is made.

SECTION 5. IDENTIFICATION MARKS.

The Lessee will cause each Unit to be kept numbered with the identifying number set forth in Schedule A hereto, or in the case of any Unit not there listed, such identifying number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain or cause to be kept and maintained, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words, "Leased from Portec Lease Corp., as Lessor, and subject to a Security Interest recorded with the Interstate Commerce Commission", with appropriate changes thereof and additions thereto as from time to time may be required by law or reasonably requested in order to protect the Lessor's title to and interest in such Unit and the rights of the

Lessor under this Lease. Lessee will not place any such Unit in operation until such words shall have been so marked and will, at its expense, replace or cause to be replaced promptly any such name and words which may be removed, defaced, obliterated or destroyed. The Lessee will not change or permit to be changed the identifying number of any Unit unless and until a statement of new number or numbers to be substituted therefor shall have been filed with Lessor.

Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Units may be lettered with the names or initials or other insignia customarily used by Lessee or its affiliates.

SECTION 6. TAXES.

The Lessee agrees to pay or cause to be paid promptly, and on written demand to indemnify and hold the Lessor harmless from, on an after-tax basis, all income, gross receipts, franchise, sales, use, property, ad valorem, value added, leasing, leasing use, stamp, excise or other taxes, assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon the Lessor and its successors and assigns (hereafter "Indemnified Parties"), the Lessee or any Unit by any Federal, state or local government or governmental subdivision thereof, upon or with respect to (1) leasing, possession, use, operation, return or other disposition thereof during the term of this Lease; (2) the rentals, receipts or earnings arising therefrom; or (3) the Lease or the transactions contemplated by this Lease (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); excluding, however: (i) taxes of (A) the United States or any state or political subdivision thereof, (B) any foreign country or subdivision thereof incurred as a result of the Indemnified Party being taxed by such foreign country or subdivision of its worldwide income without regard to the transactions contemplated by this Lease, and (C) any foreign country or subdivision thereof incurred as a result of the Indemnified Party being taxed by such foreign country or subdivision with regard to the transactions contemplated by this Lease (but only if and to the extent that such Indemnified Party obtains a credit therefor against its United States Federal income taxes), in each case, imposed on or measured solely by the net income, gross income, gross receipts or excess profits of the Indemnified Party other than Taxes arising out of or imposed in respect of the receipt or indemnification payments pursuant to this Lease; (ii) any Taxes imposed on or measured by any fees or compensation received by the Indemnified Party, and (iii) Taxes which are imposed on or measured solely by the net income, gross income or gross receipts of the Indemnified Party if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person with which the Lessee has not agreed to pay or indemnify against pursuant to this Section.

If claim is made against the Lessor or the Indemnified Party for any Taxes indemnified against under this Section, the Lessor or such party shall promptly notify the Lessee. If reasonably requested by the Lessee in writing, the Indemnified Party, upon receipt of indemnity for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, shall permit the Lessee to contest, at its own expense, the validity, applicability or amount of such Taxes in the name of the party to be so indemnified; provided that no proceeding or actions relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of the party to be so indemnified in any such proceeding or action) without the prior written consent of such party (which consent shall not be unreasonably withheld). If the party to be so indemnified shall obtain a refund of all or any part of such Taxes previously reimbursed by the Lessee in connection with any such contest or an amount representing interest thereon, such party shall, so long as no Event of Default shall have occurred and be continuing, pay the Lessee the amount of such refund or interest net of expenses not previously paid or reimbursed by the Lessee.

Lessee shall pay all Taxes for which it assumes liability hereunder when such Taxes are due and will indemnify each Indemnified Party to the extent required by this Section within 15 days after receipt of a written request for indemnification by such Indemnified Party specifying the amount to be paid, the basis on which such amount was determined and the nature of the Taxes in question.

In the event that, during the continuance of this Lease, Lessee becomes liable for payment of any Taxes pursuant to this Section, such liability shall continue, notwithstanding the expiration of this Lease, until all such Taxes are paid or reimbursed by Lessee.

The Lessee shall furnish or cause to be furnished promptly, upon request, such information and data as are normally available to the Lessee and which the Lessor reasonably may require to permit compliance with the requirements of any taxing authorities.

SECTION 7. MAINTENANCE; CASUALTY OCCURRENCES; INSURANCE.

Lessee at its own expense will maintain and service each Unit and comply with a preventative maintenance schedule consistent with the preventative maintenance schedule (if any) recommended by Builder and which will include testing, repair and overhaul of each Unit so that each Unit will remain (a) in as good operating condition as when delivered (ordinary wear and tear excepted) and (b) in compliance with any and all applicable laws and

regulations and eligible for railroad interchange in accordance with the rules of the American Association of Railroads. In no event shall any Unit be maintained or scheduled for maintenance on a basis less frequent than the maintenance or maintenance scheduling basis employed as of the date hereof by Lessee for similar equipment.

As of the date this Lease or any extension thereof terminates pursuant to Sections 10, 11, and/or 14, the running gear items on each Unit, as listed on Schedule E hereto, shall have at least the percentage of remaining useful life set forth in said Schedule. In the event such items, or any of them have less than the scheduled percentage of remaining useful life, Lessee shall, at its expense, repair or replace such items, as it deems necessary in order to ensure the return of the Units to Lessor with at least the scheduled percentage of remaining useful life of the running gear items.

In the event that any Unit shall be or become worn out, lost, stolen, destroyed or irreparably damaged from any cause whatsoever, or taken or requisitioned by condemnation or otherwise by the United States Government or any other government or governmental entity for a period which shall exceed the then remaining term of this Lease (or, if such taking or requisition shall occur during a renewal term, for a period which shall exceed the then remaining renewal term), resulting in loss of possession by Lessee for a period of 90 consecutive days or until the end of term or renewal term (as the case may be) of this Lease, whichever is the shorter period (such occurrences being hereinafter called "Casualty Occurrences"), prior to the return of such Unit in the manner set forth in Section 14 hereof, Lessee shall as soon as practicable fully notify Lessor with respect thereto. On the rental payment date next succeeding such notice Lessee shall pay to Lessor an amount equal to the rental payment or payments in respect of such Unit then due and payable plus a sum equal to the Casualty Value ("Casualty Value") of such Unit as of such rental payment date determined in accordance with Schedule D attached hereto. Upon the making of such payment by Lessee in respect of any Unit, the Basic Rent for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft, complete destruction or permanent return to Builder of such Unit) Lessor shall be entitled to recover possession of such Unit.

Whenever any Unit shall suffer a Casualty Occurrence after the final payment of rent in respect thereof is due pursuant to Section 3 hereof and before such Unit shall have been returned in the manner provided in Section 14 below, Lessee shall fully notify Lessor as soon as practicable with respect thereto and pay to Lessor an amount equal to the Casualty Value of such Unit, which shall be an amount equal to the Casualty Value for the last rental payment date during the term of the Lease as set forth in Schedule D hereto. Upon the making of any such payment by Lessee in respect to any Unit (except

in the case of the loss, theft or complete destruction of such Unit or return to Builder of such Unit), Lessor shall be entitled to recover possession of such Unit, subject to the provisions of the third paragraph of this Section.

Lessor hereby appoints Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof, at the best price obtainable on an "as is, where is" basis and Lessee shall notify Lessor prior to any such disposition. Provided that Lessee has previously paid the Casualty Value to Lessor and provided no Event of Default shall have occurred and be continuing, Lessee shall be entitled to the net proceeds of such disposition to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to Lessor. Lessee will pay all costs and expenses in connection with the sale of any Unit pursuant to a Casualty Occurrence.

In the event of the requisition (other than a requisition which constitutes a Casualty Occurrence) for use by the United States Government or by any other government or governmental entity (hereinafter collectively called the "Government") of any Unit during the term of this Lease or any renewal thereof, all of Lessee's obligations (including without limitation the obligation to pay rent) under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred, except that if such Unit is returned by the Government at any time after the end of the term of this Lease or any renewal thereof, Lessee shall be obligated to return such Unit to Lessor pursuant to Section 11 or Section 14 hereof, as the case may be, promptly upon such return by the Government rather than at the end of the term of this Lease or any renewal thereof, but Lessee shall in all other respects comply with the provisions of said Sections 11 or 14, as the case may be, with respect to such Unit. All payments received by Lessor or Lessee from the Government for the use of such Unit during the term of this Lease or any renewal thereof shall be paid over to, or retained by, Lessee, provided no Event of Default shall have occurred and be continuing; and all payments received by Lessor or Lessee from the Government for the use of such Unit after the term of this Lease or any renewal thereof, shall be paid over to, or retained by Lessor.

Except as hereinabove provided in this Section 7, Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after acceptance thereof by Lessee hereunder.

The Lessee will, at all times prior to the earlier of (i) the termination of the Lease with respect to the Unit suffering the Casualty Occurrence, or (ii) the return of such Equipment to the Lessor in accordance with the terms of this Lease (including the storage period provided under Section 11), maintain or cause to be maintained, at its own expense, public liability

insurance with a limit of not less than \$5,000,000 for any one occurrence and property and casualty insurance in respect of the Units at the time subject hereto in amounts which are at all times at least equal to the Casualty Values set forth in Schedule D. If the Casualty Value of all the Units at any given time is less than what the deductible would be for the amounts customarily insured against by railroad companies on similar equipment owned by them, then no casualty insurance need be carried. All policies with respect to such insurance shall name Lessor and any lender having a security interest in any of the Units and designated by Lessor in a notice to Lessee, as additional name insureds or loss payees, as their interest may appear.

The Lessee shall obtain from each insurer under the paragraph immediately above an agreement, by endorsement or separate instrument, that such insurer will give the Lessor and any such lender 30 days' written notice before such insurer's policy shall be materially altered, cancelled or not renewed. Any policies of insurance carried in accordance with this Section 7 shall waive any rights to claim any premiums or commissions against the Lessor. In the event such policies shall contain breach of warranty provisions, such policies shall provide that in respect of the interest of the Lessor and any such lender in such policies the insurance shall not require contributions from other policies held by the Lessor and/or such lender and shall not be invalidated by any action or inaction of the Lessee or any other person (other than the Lessor) and shall insure the Lessor and such lender regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Lessee or any person (other than the Lessor or such lender). On or prior to the date of acceptance of any Unit hereunder, and in January of each year, the Lessee shall, to the extent applicable under the next preceding paragraph, deliver to the Lessor a certificate of insurance by or on behalf of each insurer stating the coverage, named insureds/loss payees and limits of each such policy.

SECTION 8. REPORTS.

On or before the anniversary date of this Lease each year, Lessee shall furnish to Lessor a certificate stating the total dollar amount spent on maintenance and repairs of the Units in the aggregate, and, if applicable, a statement describing the Casualty Occurrence or repairs, in excess of \$20,000, suffered by or made to any of the Unit(s) during the twelve months then ending.

SECTION 9. DISCLAIMER OF WARRANTIES; COMPLIANCE WITH LAWS AND RULES; INDEMNIFICATION.

THE LESSOR DOES NOT MAKE, HAS NOT MADE AND SHALL NOT BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, OPERATION OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS OR ANY

COMPONENTS THEREOF DELIVERED TO THE LESSEE HEREUNDER, AND THE LESSOR DOES NOT MAKE ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS OR ANY COMPONENT THEREOF FOR ANY PARTICULAR PURPOSE, NOR AS TO THE LESSEE'S RIGHT TO QUIET ENJOYMENT THEREOF (EXCEPT THAT THE LESSOR WARRANTS AND REPRESENTS THAT NEITHER IT, NOR ANYONE CLAIMING BY, THROUGH, OR UNDER IT, SHALL WRONGFULLY INTERFERE WITH THE LESSEE'S QUIET ENJOYMENT OF THE UNITS), NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT OR ANY COMPONENT THEREOF (EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE), it being agreed that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee. Lessor does warrant and represent that it has good title to each Unit and any components thereof, free and clear of all liens, encumbrances or other claims, as of the date of delivery of such Unit to Lessee. Lessor hereby irrevocably assigns to Lessee whatever claims and rights the Lessor may have against Builder under the provisions of the Builder's Warranty Agreement, a copy of which is attached hereto as Schedule C, and Lessor agrees to execute and deliver such documents as may be necessary to enable the Lessee to obtain customary warranty service and servicing obligations furnished by such Builder. The Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or efficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Lessor that the Units described therein are in all the foregoing respects satisfactory to the Lessee; and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters.

The Lessee agrees, for the benefit of the Lessor, to comply in all respects (including, without limitation, use, maintenance and operation of each Unit) with all the laws of the jurisdiction in which its operations involving the Unit may extend, with the interchange rules of the Association of American Railroads, and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units and in the event that such laws or rules require any alteration, replacement, modification or addition of or to any part of any Unit, the Lessee will fully conform therewith at no expense to the Lessor; provided, however, that the Lessee may upon written notice to the

Lessor, in good faith, contest or cause to be contested the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor, adversely affect the property or rights of the Lessor under this Lease.

The Lessee and its affiliates, at their own cost and expense, may from time to time make such alterations, modifications and additions (including, without limitation, any special devices, assemblies or racks at any time attached or affixed to any Unit) (hereinafter collectively called "Additions") to the Units as the Lessee may deem desirable in the proper conduct of its business so long as such Additions shall not be inconsistent with the continuing operation of the Units, and shall not diminish the value, utility or condition of the Units below the value, utility and condition thereof immediately prior to the making of such Additions, assuming the Units were then in the condition required to be maintained by the terms of this Lease.

Title to all Parts (as hereinbelow defined) incorporated in or installed as part of the Units shall without further act vest in the Lessor in the following cases: (i) such Part is in replacement of or in substitution for, and not in addition to, any Part originally incorporated in or installed as part of a Unit at the time of the acceptance thereof hereunder or any Part in replacement of, or in substitution for, any such original Part; (ii) such Part is required to be incorporated in or installed as part of the Units pursuant to the terms of the first paragraph of Section 7 or the third paragraph of this Section; or (iii) notwithstanding the provisions of the fourth paragraph of this Section, such Part cannot be readily removed from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which such Unit shall have had at such time had such alteration not occurred. In all other cases, if no Event of Default shall have occurred and be continuing, title to Parts incorporated in or installed as parts of the Units as a result of such alterations or additions shall vest in the Lessee. The term Part shall include any appliance, part, instrument, accessory, furnishing or other equipment of any nature which may from time to time be incorporated in or installed as part of any Unit.

The Lessee shall pay or cause to be paid, and shall protect, indemnify and hold the Indemnified Party harmless from and against any and all causes of action, suits, penalties, claims, demands, judgments, losses, liabilities, costs, charges and expenses of any nature whatsoever which may be imposed on, incurred by or asserted against the Indemnified Party (including any or all liabilities, obligations, damages, costs, disbursements, expenses) in any way relating to or arising or alleged to arise out of (i) the lease, sublease, possession, use, operation, condition, return or other disposition of any Unit or portion thereof during the term hereof; (ii) any claims based on strict liability in tort or imposed by statute; (iii) any injury to or the death of

any person or any damage to or loss of property on or near the Units or in any manner growing out of or concerned with, or alleged to grow out of or be connected with, the use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units; excluding, however, any matter resulting from an act or omission of the Lessor which would constitute the willful misconduct or gross negligence of the Indemnified Party. The Lessee shall not, however, be required to pay or discharge any claim or demand referred to in this Section so long as the validity or amount thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not result in the forfeiture or sale of the Unit or any part or portion thereof or adversely affect the Lessor's title thereto or interfere with the due payment by the Lessee as provided herein of any rent hereunder. The Lessee and the Lessor each agree to give the other, promptly upon obtaining knowledge thereof, written notice of any claim or liability hereby indemnified against. Notwithstanding anything herein to the contrary, Lessee's indemnification as provided in this Section 9 shall not in any instance be deemed or construed to extend to Builder.

In the event the Lessee is required to make any indemnification payment under this Section 9, the Lessee shall pay Lessor an amount which, after deduction of all taxes required to be paid by the Lessor in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as reasonably determined by Lessor), shall be equal to the amount of such payment herein.

Lessee shall bear the responsibility and risk for, and shall not be released from its obligations hereunder in the event of damage to or the destruction or loss of any or all of the Units. Upon payment in full of the amount required to be paid to an Indemnified Party pursuant to this Section, the Lessee shall be subrogated to any rights of such Indemnified Party in respect of the matter against which the indemnity has been given.

SECTION 10. DEFAULT.

If, during the continuance of this Lease, one or more of the following events (each such event being herein sometimes called an "Event of Default") shall occur:

(A) payment of any part of the rental provided in Section 3 hereof or payment in any respect of any Casualty Occurrence pursuant to Section 7 hereof shall not be made by or on behalf of the Lessee, and such failure to make payment shall continue for 5 business days after written notice of such failure from the Lessor to Lessee; or

(B) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any interest herein, or of the right to possession of the Units, of any thereof; or

(C) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein or in any document or certificate executed by the Lessee in connection herewith and such default shall continue for 30 days after the earlier of (i) written notice from the Lessor to the Lessee specifying the default and demanding that the same be remedied and (ii) the date on which such default shall first become known to any officer of Lessee;

(D) any representation or warranty made by the Lessee herein or in any certificate or statement furnished to the Lessor pursuant to or in connection with any such agreement proves untrue in any material respect as of the date of issuance or making thereof; or

(E) a petition for reorganization under Title 11 of the United States Code (as now or hereafter constituted) shall be filed by or against Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of Lessee under this Lease shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceeding in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees, within 60 days after such petition shall have been filed, and otherwise in accordance with the provisions of 11 U.S.C. Section 1168, or any successor provision, as the same may hereafter be amended;

(F) any other proceeding shall be commenced by or against Lessee for any relief which includes, or might result in, any modification of the obligations of Lessee hereunder, under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions, and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of Lessee under this Lease shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not

subject to ratification) for Lessee, or for the property of Lessee, in connection with any such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees or receiver or receivers, within 60 days after such proceedings shall have been commenced;

then in any such case, the Lessor, at its option, may:

(a) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(b) by notice in writing to the Lessee to terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Lessor may by its agents, subject to compliance with all mandatory requirements of law, enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever and without any duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such rental period) and also to recover forthwith from the Lessee as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Lessor, in its sole discretion, shall specify: (x) a sum with respect to each Unit which represents the excess of (1) the present value, at the time of such termination, of the entire unpaid balance of all rentals for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (2) the then present value of the fair market rental for the Unit during such period, such present value to be computed in each case on the basis of a 10% per annum discount, compounded monthly from the respective dates upon which rental would have been payable hereunder had this Lease not been terminated, together with any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of the rental; or (y) an

amount equal to the excess, if any, of the Casualty Value as of the rental payment date on or next preceding the date of termination over the fair market sales value (after deduction of all estimated expenses of such sale) of such Unit at such times; provided, however, that in the event the Lessor shall have sold or leased any Unit, the Lessor, in lieu of collecting any amounts payable to the Lessor by the Lessee pursuant to the preceding clauses (x) or (y) of this part (b) with respect to such Unit, may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay to the Lessor on the date of such sale or leasing, as the case may be, as liquidated damages for loss of a bargain and not as a penalty (i) in the case of such a sale an amount equal to the excess, if any, of the Casualty Value for such Unit, as of the rental payment date on or next preceding the date of termination, over the net proceeds of such sale, and (ii) in the case of such a leasing, an amount equal to the excess, if any, of the present value of all rentals for such Unit which would otherwise have accrued hereunder from the date of termination to the end of the term of this Lease as to such Unit over the sum of (I) the then present value of all rental for such Units required under such new lease plus (II) the then present value of the rental (if any) which the Lessor reasonably estimates to be obtainable for the Unit during the period commencing on the termination of such new lease and ending on the date the term of this Lease would have ended if it had not been terminated early due to default, each such present value to be computed in each case on the basis of a 10% per annum discount, compounded, in the case of rental which is estimated under clause II of this sentence, monthly from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated and, in the case of rental under such new lease, periodically from the respective dates upon which such rental shall be payable thereunder. For purposes of this Section 10, "fair market rental value" and "fair market sales value" shall be determined on the basis of an appraisal of an independent appraiser chosen by the Lessor, with the cost of any such appraisal, notwithstanding anything herein to the contrary, being borne equally by the Lessor and the Lessee.

In addition, the Lessee shall be liable, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Unit, unless resulting from Lessor's gross negligence or willful misconduct.

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The failure of the Lessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies; and a waiver of any such right on one occasion shall not constitute a waiver of such rights as to any other occasion and shall not be effective unless in writing signed by the Lessor.

Lessor and Lessee agree that Lessor shall be entitled to all rights (such rights being fundamental to the willingness of Lessor to enter into this Lease) provided for in 11 U.S.C. Section 1168 or any comparable provision of any amendment thereto, or of any other bankruptcy act, so that Lessor shall have the right to take possession of the Units upon an Event of Default under this Lease regardless of whether Lessee is in reorganization, subject to the provisions of 11 U.S.C Section 1168.

SECTION 11. RETURN OF UNITS UPON DEFAULT.

If this Lease shall terminate pursuant to Section 10 hereof, the Lessee shall deliver, or cause to be delivered, possession of the Units to the Lessor and shall give, or cause to be given, prompt telegraphic and written notice to the Association of American Railroads, all railroads and to any party having possession of any Unit so to return such Units. Each Unit returned to the Lessor pursuant to this Section 11 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear and modifications, if any, permitted by this Lease excepted and (ii) shall otherwise meet the requirements of Section 7 hereof and meet the standards then in effect under the interchange rules of the Association of American Railroads or such comparable standards as may then be in effect. For the purpose of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

(a) as soon as practicable and in the usual manner cause such Units to be transported to such location as shall reasonably be designated by the Lessor on the storage tracks of the Lessee and there assembled,

(b) furnish and arrange for the Lessor to store such Units on the lines of the Lessee for 120 days or until such Units have been sold, leased or otherwise disposed of by the Lessor, whichever occurs first, the Lessor agreeing to use its best efforts to sell, lease or otherwise dispose of the Units as soon as possible, and

(c) transport the same to any place on the storage tracks of railroad operated by Lessee or any of its affiliates or to any connecting carrier for shipment, as so directed by Lessor.

During any storage period the Lessee will permit the Lessor or any persons designated by it, including the authorized representative(s) of any prospective purchaser or user of any such Unit, to inspect the Units, provided, however, that Lessor shall be liable for any damage to any Unit or for any injury or death to any persons or property caused by any such individual while on Lessee's premises for the purpose of performing such inspection. The assembling, delivery, storage, maintenance and transportation of the Units as provided in this Section 11 shall be at the expense and risk of the Lessee (and the Lessee will maintain the insurance required by Section 7 of this Lease during this period) and are of the essence of this Lease; and, upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units.

SECTION 12. RECORDING.

Lessor, at its own expense, will cause this Lease and any assignment hereof to be filed in accordance with 49 U.S.C. 11303 and deposited with the Registrar General of Canada (and notice of such deposit to be given forthwith in The Canada Gazette) pursuant to Section 86 of the Railway Act of Canada. In addition, Lessor will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments which it believes are necessary in order to properly protect its interest in and rights to the Units. Lessee agrees to execute such documents as may be reasonably requested by Lessor in order to carry out the intent of the foregoing.

SECTION 13. ASSIGNMENT; POSSESSION AND USE

This Lease shall be assignable in whole or in part by Lessor without the consent of Lessee, but Lessee shall be under no obligation to any assignee of Lessor, except upon written notice of such assignment from Lessor. All the rights of Lessor hereunder shall inure to the benefit of Lessor's successors and assigns.

So long as no Event of Default exists hereunder, Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease and, without the prior written consent of Lessor, Lessee may sublease (which sublease shall be subject to the rights and remedies of Lessor

hereunder) the Units to, or permit their use by, a user incorporated in the United States of America (or any state thereof or in the District of Columbia), upon lines or railroad owned or operated by Lessee or such user or by a railroad company or companies incorporated in the United States of America (or any state thereof or the District of Columbia), or over which Lessee, such user, or such railroad company or companies have trackage rights or rights for operation of their trains, and upon the lines of railroad of connecting and other carriers in the usual interchange of traffic or in through or run-through service, but only upon and subject to all the terms and conditions of this Lease; provided, however, that Lessor's consent, not to be unreasonably withheld, must be obtained for any sublease that is for a term longer than six months or is renewable for a term more than six months; provided, further, however, that Lessee shall not sublease or permit the sublease or use of any Unit to service involving operation or maintenance outside the United States of America except that occasional service in Canada shall be permitted so long as such service in Canada does not involve regular operation and maintenance outside the United States of America. No such assignment or sublease shall relieve Lessee of its obligations hereunder which shall be and remain those of a principal and not a surety.

In addition, the Lessee shall receive insofar as applicable law and regulations allow, all mileage allowance rentals and/or other compensation (hereinafter referred to as "Mileage") payable by carriers by reason of the use of a Unit and if for any reason the Lessor shall receive any Mileage then (unless an Event of Default shall have occurred and be continuing, in which event such Mileage or portion thereof shall be retained by the Lessor until such Event of Default shall no longer be continuing) the Lessor shall remit such Mileage to the Lessee promptly after the Lessee furnishes to the Lessor, at the Lessee's sole expense, either (i) a ruling of the Interstate Commerce Commission to the effect that the remittance thereof to the Lessee will not constitute a rebate within the meaning of 49 U.S.C. Section 11902, as amended, or (ii) an opinion of counsel to the same effect.

Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by Lessor or resulting from claims against Lessor) upon or with respect to any Unit or the interest of Lessor or Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises.

SECTION 14. RETURN OF UNITS UPON EXPIRATION OF TERM.

Upon the expiration of the original or any extended term of this Lease with respect to any Unit, unless otherwise agreed in writing by Lessor and Lessee, Lessee will, at its own cost and expense, deliver possession of such Unit to Lessor upon the storage tracks of Builder at Builder's plant, Clinton, Illinois. Each Unit returned to Lessor pursuant to this Section 14 shall be

in the condition required by Section 7 hereof and shall be empty and free of residue. Lessee will permit Lessor or any person designated by Lessor, including the authorized representatives of any prospective purchaser, lessee or user of any such Unit, to inspect the same in any place where it might be stored prior to such delivery, provided, however, that the Lessee shall not be liable for any injury to or the death of any person exercising, either on behalf of the Lessor or any prospective user, the rights of inspection granted under this sentence, except in the case of negligence or willful wrongdoing of the Lessee, its employees or agents. The assembling for delivery, and delivery as hereinbefore provided of the Units are of the essence of this Lease, and, upon application to any court of equity having jurisdiction in the premises, Lessor shall be entitled to a decree against Lessee requiring specific performance thereof.

SECTION 15. INTEREST ON OVERDUE RENTALS.

Unless otherwise stated herein, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay an amount equal to interest at a rate of 18% per annum or such lesser amount as may be legally enforceable on the overdue rentals and other obligations for the period of time during which they are overdue.

SECTION 16. RENEWAL AND PURCHASE OPTIONS.

Provided that this Lease has not been earlier terminated and Lessee is not in default hereunder, Lessee may by written notice delivered to Lessor not less than six months prior to the end of the original term of this Lease, (i) elect to renew the term of this Lease in respect of all but not fewer than all the Units then covered by this Lease, for an additional 5-year period commencing on the scheduled expiration of the original term at the greater of (a) a Fair Market Rental (as defined below) payable in equal monthly installments in advance on the first day of each month during the renewal term and (b) \$375/month, or (ii) elect to purchase all, but not fewer than all the Units then subject to this Lease, at the greater of (a) a Fair Market Purchase Price (as defined below) and (b) the applicable Casualty Value shown on Schedule D, payable at the end of the original term.

The Fair Market Rental and Fair Market Purchase price shall be determined on the basis of, and shall be equal in amount to, the cash rent for a five-year period or the purchase price as of such date as the context herein requires, as the case may be, which would obtain in an arm's-length transaction between an informed and willing lessee or purchaser and an informed and willing lessor or seller, as the case may be, under no compulsion to lease or sell. If, after 60 days from the giving of notice by Lessee of Lessee's election to extend the term of this Lease or to exercise its purchase

option, Lessor and Lessee are unable to agree upon a determination of the Fair Market Rental or Fair Market Purchase Price of the Units, such rental or purchase price shall be determined in accordance with the foregoing definition by the following procedure: If either party to such determination shall have given written notice to the other requesting determination of such rental or purchase price by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 business days after such notice is given, each party shall appoint an independent appraiser within 25 business days after such notice is given, and the two appraisers so appointed shall within 35 business days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 35 business days after such notice is given, either party may request the American Arbitration Association to make such appointment, and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental or Fair Market Purchase Price, as the case may be, of the Units then subject to this Lease within 70 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental or Fair Market Purchase Price, as the case may be, by the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination by the appraiser which differs most from that of the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto as the Fair Market Rental or Fair Market Purchase Price, as the case may be. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental or Fair Market Purchase Price, as the case may be, and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. All appraisal procedure expenses shall be borne equally by Lessor and Lessee.

Upon payment of the purchase price of any Unit pursuant to an election by Lessee to purchase the Units, Lessor shall upon request of Lessee execute and deliver to Lessee, or to Lessee's assignee or nominee, a bill of sale (without warranties) for such Unit such as will transfer to Lessee title to such Unit, free and clear of all liens, security interests and other encumbrances arising through Lessor.

SECTION 17. REPRESENTATIONS AND WARRANTIES.

Lessee represents and warrants as follows:

(a) Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified to do business and in good standing in such other jurisdictions in which its business and activities require such qualifications;

(b) Lessee has full power, authority and legal right to carry on its business as now conducted and is duly authorized and empowered to execute and deliver this Lease and to fulfill and comply with the terms, conditions and provisions hereof; this Lease has been duly authorized and approved and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms.

(c) That, Lessee recognizes that Lessor intends to avail itself of the investment tax credit afforded with respect to the Units by Sections 38 and 46-48 of the Internal Revenue Code of 1954, as amended, and that at all times during the term of the Lease, commencing on the date of acceptance of each Unit, such Unit will constitute "Section 38 property" within the meaning of Section 48(a) of the Internal Revenue Code of 1954, as amended;

(d) Lessee shall not, at the time the Units are purchased by Lessor, or at any time during the term of the Lease, claim any portion of the depreciation or investment tax credit in opposition to any claim for such depreciation or credit which has been made or will be made by Lessor.

Lessor represents and warrants as follows:

(a) Lessor is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified to do business and in good standing in such other jurisdictions in which its business and activities require such qualification;

(b) Lessor has full power, authority and legal right to carry on its business as now conducted and is duly authorized and empowered to execute and deliver this Lease and to fulfill and comply with the terms, conditions and provisions hereof; this Lease has been duly authorized and approved and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms;

(c) The warranties and representations set forth in Schedule C are the full warranties and representations which Builder has made to Lessor and all such warranties and representations are assignable and shall be assigned to Lessee by Lessor, and may be fully and legally asserted against Builder by Lessee.

SECTION 18. NOTICES.

Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when delivered to such other party or by registered or certified mail, postage prepaid, addressed as follows:

If to the Lessor, at:

Portec Lease Corp.
300 Windsor Drive
Oak Brook, Illinois 60521

Attention: Mr. W. W. Farnsworth

If to Lessee, at:

International Minerals
& Chemical Corporation
421 E. Hawley Street
Mundelein, Illinois 60060

Attention: Mr. Q. H. Davis

or addressed to any party at such other address as such party shall hereafter furnish to the other party in writing.

SECTION 19. SEVERABILITY; EFFECT AND MODIFICATION OF LEASE; SURVIVAL.

Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof; and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Lessor and the Lessee between them with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto. No

variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Lessor and the Lessee.

SECTION 20. EXECUTION.

This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument. Although for convenience this Lease is dated as of the date first set forth above, the actual date of execution hereof by each of the parties hereto is the date stated in the acknowledgment hereto annexed with respect to that party's execution.

SECTION 21. LAW GOVERNING.

The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303 and such additional rights arising out of the filing or deposit hereof, if any, and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Lease or any assignment hereof shall be filed or deposited.

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

(Corporate Seal)

PORTEC LEASE CORP.

By Wallace Lammert
Vice President

Attest:

J. Upton
Secretary

(Corporate Seal)

INTERNATIONAL MINERALS
& CHEMICAL CORPORATION

By Robert J. Pearce
Vice President
Supply Distribution



Attest:

Nicolaus Burns Jr.
Secretary

State of Illinois)
) ss.:
County of Du Page)

On this 1st day of May, 1981, before me personally appeared Wallace Arnoult, to me personally known, who, being by me duly sworn, says that he is Vice President of PORTEC LEASE CORP., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Hammy Higgins
Notary Public

(Notarial Seal)

State of ~~Illinois~~)
) ss.:
County of Cook)

On this 1st day of May, 1981, before me personally appeared Peter J. Pearce to me personally known, who, being by me duly sworn, says that he is V.P. Supply & Distribution of INTERNATIONAL MINERALS & CHEMICAL CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Ruth C. Bohmer
Notary Public

(Notarial Seal)

SCHEDULE A

TO

Lease of Railroad Equipment
Between Portec Lease Corp.
as Lessor and
International Minerals & Chemical Corporation
as Lessee

Information as to Units of Equipment

Builder:	FORTEC, Inc.
Description of Equipment:	100 ton, 2 compartment, center discharge, covered hopper cars, 3000 cubic feet capacity
Quantity:	85
Specifications:	Per specification No. H-100-780626, dated 2-27-81
Car Numbers:	IMCX11600 to IMCX11684 both inclusive
Delivery Point:	65 cars at Birmingham, Alabama 20 cars at Montgomery, Alabama

SCHEDULE B

To

Lease of Railroad Equipment
Between Portec Lease Corp.
as Lessor and
International Minerals & Chemical Corporation
as Lessee

CERTIFICATE OF ACCEPTANCE

To: Portec Lease Corp.
300 Windsor Drive
Oak Brook, Illinois 60521

I, a duly appointed inspector and authorized representative of International Minerals & Chemical Corporation ("Lessee") under the Lease of Railroad Equipment, dated as of _____, 1981, do hereby certify that I inspected and accepted delivery thereunder on behalf of Lessee of the following Units of Equipment:

TYPE OF EQUIPMENT:
BUILDER: PORTEC, INC.
DATE ACCEPTED:
PLACE ACCEPTED:
NUMBER OF UNITS:
NUMBERED:
MANUFACTURER'S SERIAL NOS.:

I do further certify that the foregoing Units are in good order and condition, and conform to the Specifications applicable thereto as provided in Schedule A to said Lease.

I do further certify that each of the foregoing Units has been marked by means of a stencil printed in contrasting colors upon each side of each such Unit in letters not less than one inch in height as follows:

"Leased from Portec Lease Corp., as Lessor, and subject to a Security Interest recorded with the Interstate Commerce Commission."

The execution of this Certificate will in no way relieve or decrease the responsibility of the Builder named above for any warranties it has made with respect to the Equipment.

Inspector and Authorized
Representative of Lessee

SCHEDULE C

To

Lease of Railroad Equipment
Between Portec Lease Corp.
as Lessor and
International Minerals & Chemical Corporation
as Lessee

BUILDER'S WARRANTY AGREEMENT

THIS AGREEMENT dated as of _____, 1981 between Portec Lease Corp., a Delaware corporation ("Lessor"), and PORTEC, Inc., a Delaware corporation ("PORTEC"),

W I T N E S S E T H:

WHEREAS, pursuant to Purchase Order Number 111 placed by Lessor with PORTEC and accepted by PORTEC, Lessor has agreed to purchase from PORTEC, and PORTEC has agreed to manufacture and sell to Lessor, certain railroad equipment, consisting of 85 cars ("Units") described as 100 ton, 2 compartment, center discharge, covered hopper cars, 3000 cu. ft. capacity to be built in accordance with specifications No. H-100-780626 and to conform to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications; and

WHEREAS, the Lessor and PORTEC desire to establish all of Lessor's warranties of every kind and nature, both express and implied, as to such Units within the confines of this document; and

WHEREAS, Lessor has advised that it intends to lease the Units to International Minerals & Chemical Corporation ("Lessee") under terms authorizing Lessee to enforce said warranties;

NOW, THEREFORE, in consideration of the premises, PORTEC and the Lessor agree that the warranties from PORTEC to Lessor relating to the above described Units of railroad equipment are as follows:

ITEM I

PORTEC warrants (i) that each of the above described Units of railroad equipment will be built in accordance with the Specifications above named, (ii) that the design, quality and component parts of each Unit will conform, on the date of completion of the manufacture thereof, to all United States Department of Transportation and Interstate Commerce Commission requirements and specifications and all standards, if any, recommended by the Association of American Railroads reasonably interpreted as being applicable to railroad equipment of the character of the Units; and that each Unit will be free from defects in material (except as to specialties incorporated therein which were specified to be supplied by Lessee and not manufactured by PORTEC) and workmanship including patent and latent defects, under normal use and service; provided, however, that PORTEC's obligation under this paragraph shall be limited to making good at its plant (or at the option of PORTEC repair facilities operated by Lessor or by a contractor selected by PORTEC and approved by Lessee) any part or parts of any Unit as to which written notice of such defect has been given by Lessor or Lessee to PORTEC within two years after delivery of such Unit and which part or parts are returned within 90 days after such notice to PORTEC or to the aforesaid repair facilities designated by PORTEC in

a reply to such notice, provided that PORTEC's examination shall disclose to its reasonable satisfaction such part or parts to have been thus defective. THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND OF ALL OTHER OBLIGATIONS OR LIABILITIES ON THE PART OF PORTEC WITH RESPECT TO THE UNITS EXCEPT FOR ITS OBLIGATIONS SPECIFICALLY SET FORTH IN SAID PURCHASE ORDER. PORTEC neither assumes nor authorizes any person to assume for it any other liability in connection with the construction and delivery of Units, except as aforesaid. PORTEC SHALL NOT BE LIABLE FOR ANY INDIRECT OR CONSEQUENTIAL DAMAGES OF WHATEVER NATURE.

PORTEC agrees that Lessor or Lessee as well as PORTEC may to the extent permitted by law take and prosecute claims against vendors of specialties purchased by PORTEC for incorporation in the Units and not warranted hereunder for the breach of any warranty by the vendors with respect to such specialties. PORTEC, Lessor and Lessee (as a condition of its being a third-party beneficiary hereof) each agree to notify the others prior to the assertion of any claim by them against any such vendors of specialties. If PORTEC determines that it has no interest in any such claim asserted by Lessor or Lessee, PORTEC agrees to assign to Lessor or Lessee, solely for the purpose of making and prosecuting any such claim, all of the rights which PORTEC has against such vendor for the breach of warranty or other representation respecting the Units.

PORTEC further agrees that neither the inspection as provided in the aforesaid Purchase Order or in Lessor's lease of the Units to Lessee shall be deemed a waiver or modification by either Lessor or Lessee of any of their rights under this Item I.

It is further understood and agreed that the word "designs" and the word "specialties" as used herein and in Item 2 shall be deemed to include articles, materials, systems, formulae and processes.

ITEM 2

Except in the case of designs, processes or combinations specified by Lessee and not developed or purported to be developed by PORTEC, and articles and materials specified by Lessee and not manufactured by PORTEC, PORTEC agrees to indemnify, protect and hold harmless Lessor and Lessee from and against any and all liability,

claims, demands, costs, charges and expenses, including royalty payments and reasonable attorney's fees, in any manner imposed upon or accruing against Lessor or Lessee, because of the use in or about the construction or operation of the Units, or any thereof, of any design, process, combination, article or material infringing or claimed to infringe on any patent or other right. Lessee, as a condition to its being a third-party beneficiary hereof, likewise will indemnify, protect and hold harmless from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and reasonable attorney's fees, in any manner imposed upon or accruing against PORTEC because of the use in or about the construction or operation of the Units, or any thereof, of any design, process or combination specified by Lessee and not developed or purported to be developed by PORTEC, or article or material specified by Lessee, which infringes or is claimed to infringe on any patent or other right. PORTEC agrees to and hereby does, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, transfer, assign, set over and deliver to Lessor and Lessee, every claim, right and cause of action which PORTEC has or hereafter shall have against the originator or seller or sellers of any design, process, combination, article or material specified by Lessee and used by PORTEC in or about the construction or operation of the Units, or any thereof, on the ground that any such design, process, combination, article or material or operation thereof infringes or is claimed to infringe on any patent or other right, and PORTEC further agrees to execute and deliver to Lessor and Lessee all and every such further assurances as may be reasonably requested by Lessor and Lessee more fully to effectuate the assignment, transfer and delivery of every such claim, right and cause of action. Lessee, as a condition to its being a third-party beneficiary hereof, will give notice to PORTEC of any claim known to Lessee on the basis of which liability may be charged against PORTEC hereunder and PORTEC will give notice to Lessee and Lessor of any claim known to PORTEC, on the basis of which liability may be charged against Lessee hereunder.

The foregoing warranties are not intended and shall not be construed to limit or disclaim Builder's liability, if any, to a party, not the Lessor or the Lessee, for personal injury and/or property damage arising from a latent defect in a Unit which was present prior to Lessee's acceptance of the Unit, nor to shift such liability, if any, to the Lessor or to the Lessee in such instance.

The parties hereto further agree that such warranties may be asserted and enforced, from time to time, by Lessee against PORTEC pursuant to a lease relating to the subject Units wherein Lessor is lessor and Lessee is lessee.

IN WITNESS WHEREOF, the parties hereto have affixed their hands and seals on the date first above written.

(CORPORATE SEAL)

PORTEC, Inc.

By [Signature]
SE VICE President

ATTEST:

[Signature]
ASS'T Secretary

(CORPORATE SEAL)

Portec Lease Corp.

By [Signature]
VICE President

ATTEST:

[Signature]
Secretary
CONTROLLER

SCHEDULE D

TO

Lease of Railroad Equipment Between
 Portec Lease Corp. as Lessor and
International Minerals & Chemical Corporation as Lessee

Casualty Value Schedule

<u>Rent Payment Date</u>	<u>Casualty Value on Each Rent Payment Date is The Amount Set Forth Below Opposite Such Date, Less The Basic Rent Due on Such Date</u>	<u>Rent Payment Date</u>	<u>Casualty Value on Each Rent Payment Date is The Amount Set Forth Below Opposite Such Date, Less The Basic Rent Due on Such Date</u>
30 Apr 81	\$38,777	30 Nov 83	\$40,371
30 May 81	38,939	30 Dec 83	40,401
30 Jun 81	38,561		
30 Jul 81	38,690	30 Jan 84	40,766
30 Aug 81	38,820	28 Feb 84	40,792
30 Sep 81	38,661	30 Mar 84	40,816
30 Oct 81	38,775	30 Apr 84	40,755
30 Nov 81	38,891	30 May 84	38,537
30 Dec 81	38,901	30 Jun 84	38,311
		30 Jul 84	38,322
30 Jan 82	39,777	30 Aug 84	38,332
28 Feb 82	39,875	30 Sep 84	38,247
30 Mar 82	39,970	30 Oct 84	38,250
30 Apr 82	39,824	30 Nov 84	38,253
30 May 82	39,913	30 Dec 84	39,252
30 Jun 82	39,636		
30 Jul 82	39,708	30 Jan 85	38,534
30 Aug 82	39,780	28 Feb 85	38,529
30 Sep 82	39,681	30 Mar 85	38,522
30 Oct 82	39,745	30 Apr 85	38,446
30 Nov 82	39,811	30 May 85	38,436
30 Dec 82	39,864	30 Jun 85	38,248
		30 Jul 85	38,229
30 Jan 83	40,454	30 Aug 85	38,209
28 Feb 83	40,511	30 Sep 85	38,139
30 Mar 83	40,566	30 Oct 85	38,112
30 Apr 83	40,469	30 Nov 85	38,085
30 May 83	40,521	30 Dec 85	38,054
30 Jun 83	40,295		
30 Jul 83	40,335	30 Jan 86	38,154
30 Aug 83	40,376	28 Feb 86	38,119
30 Sep 83	40,304	30 Mar 86	38,082
30 Oct 83	40,337		

<u>Rent Payment Date</u>	<u>Casualty Value on Each Rent Payment Date is The Amount Set Forth Below Opposite Such Date, Less The Basic Rent Due on Such Date</u>	<u>Rent Payment Date</u>	<u>Casualty Value on Each Rent Payment Date is The Amount Set Forth Below Opposite Such Date, Less The Basic Rent Due on Such Date</u>
30 Apr 86	\$38,027	30 Oct 89	\$29,941
30 May 86	35,749	30 Nov 89	29,835
30 Jun 86	35,549	30 Dec 89	29,727
30 Jul 86	35,500		
30 Aug 86	35,451	30 Jan 90	29,651
30 Sep 86	35,357	28 Feb 90	29,539
30 Oct 86	35,301	30 Mar 90	29,426
30 Nov 86	35,244	30 Apr 90	29,311
30 Dec 86	35,184	30 May 90	29,200
		30 Jun 90	29,053
30 Jan 87	35,243	30 Jul 90	28,938
28 Feb 87	35,179	30 Aug 90	28,821
30 Mar 87	35,111	30 Sep 90	28,702
30 Apr 87	35,029	30 Oct 90	28,581
30 May 87	34,961	30 Nov 90	28,458
30 Jun 87	34,784	30 Dec 90	28,333
30 Jul 87	34,708		
30 Aug 87	34,630	30 Jan 91	28,215
30 Sep 87	34,545	28 Feb 91	28,086
30 Oct 87	34,465	30 Mar 91	27,955
30 Nov 87	34,384	30 Apr 91	27,822
30 Dec 87	34,301	30 May 91	27,692
		30 Jun 91	27,550
30 Jan 88	34,277	30 Jul 91	27,416
28 Feb 88	34,192	30 Aug 91	27,279
30 Mar 88	34,105	30 Sep 91	27,141
30 Apr 88	34,018	30 Oct 91	27,000
30 May 88	31,675	30 Nov 91	26,856
30 Jun 88	31,487	30 Dec 91	26,711
30 Jul 88	31,401		
30 Aug 88	31,313	30 Jan 92	26,563
30 Sep 88	31,211	28 Feb 92	26,413
30 Oct 88	31,120	30 Mar 92	26,260
30 Nov 88	31,028	30 Apr 92	26,105
30 Dec 88	30,934	30 May 92	25,953
		30 Jun 92	25,798
30 Jan 89	30,903	30 Jul 92	25,641
28 Feb 89	30,806	30 Aug 92	25,481
30 Mar 89	30,708	30 Sep 92	25,319
30 Apr 89	30,608	30 Oct 92	25,154
30 May 89	30,511	30 Nov 92	24,986
30 Jun 89	30,349	30 Dec 92	24,816
30 Jul 89	27,250		
30 Aug 89	30,149	30 Jan 93	24,643
30 Sep 89	30,046	28 Feb 93	24,467

<u>Rent Payment Date</u>	Casualty Value on Each Rent Payment Date is The Amount Set Forth Below Opposite Such Date, Less The Basic Rent <u>Due on Such Date</u>	<u>Rent Payment Date</u>	Casualty Value on Each Rent Payment Date is The Amount Set Forth Below Opposite Such Date, Less The Basic Rent <u>Due on Such Date</u>
30 Mar 93	\$24,289	30 Oct 94	\$20,612
30 Apr 93	24,108	30 Nov 94	20,408
30 May 93	23,929	30 Dec 94	20,204
30 Jun 93	23,747		
30 Jul 93	23,562	30 Jan 95	20,000
30 Aug 93	23,375	28 Feb 95	19,792
30 Sep 93	23,185	30 Mar 95	19,582
30 Oct 93	22,993	30 Apr 95	19,373
30 Nov 93	22,798	30 May 95	19,169
30 Dec 93	22,602	30 Jun 95	18,966
		30 Jul 95	18,764
30 Jan 94	22,405	30 Aug 95	18,559
28 Feb 94	22,205	30 Sep 95	18,353
30 Mar 94	22,002	30 Oct 95	18,147
30 Apr 94	21,801	30 Nov 95	17,938
30 May 94	21,603	30 Dec 95	17,728
30 Jun 94	21,407		
30 Jul 94	21,211	30 Jan 96	17,518
30 Aug 94	21,012	28 Feb 96	17,305
30 Sep 94	20,812	30 Mar 96	17,089
		30 Apr 96	16,875

SCHEDULE E

TO

Lease of Railroad Equipment
Between Portec Lease Corp.
as Lessor and
International Minerals & Chemical Corporation
as Lessee

REPAIR/REPLACEMENT OF RUNNING GEAR

Each of the following named "Items" is, individually, an "Item of Running Gear" in each of the Units:

1. Wheels
2. Friction Castings
3. Column Wear Plates
4. Coupler Wear Plates
5. Coupler Knuckles
6. Center Plates
7. Truck Bolster Vertical Liner

At the termination of the Lease pursuant to Sections 10, 11 and/or 14 of the Lease, if any Item of Running Gear has a remaining useful life of less than 25 percent of the total useful life, Lessee shall promptly, at its expense and in its sole discretion, either (i) repair and restore such Item to a condition whereby it retains a remaining useful life of at least 60 percent of the total useful life or (ii) cause such Item to be replaced with an Item which has a remaining useful life equal to at least 60 percent of its total useful life.