

BRACEWELL & PATTERSON

2900 SOUTH TOWER PENNZOIL PLACE
HOUSTON, TEXAS 77002
713 223 2900
CABLE BRACEPAT HOUSTON
TELEX 76 2141

RECORDATION NO. 1 5216 Filed & Recorded
APR 30 1987 10-35 AM
INTERSTATE COMMERCE COMMISSION

1825 EYE STREET N. W.
WASHINGTON, D. C. 20006
202 828 5800
TELEX 89 2573
22 GROSVENOR SQUARE
LONDON W1X 0DY
01 491 4805
TELEX 23459
1650 AMERICAN BANK TOWER
AUSTIN, TEXAS 78701
512 472 7800

April 30, 1987

4/30/87
Date
Fee \$ 10.00
ICC Washington, D. C.

Secretary, Interstate Commerce Commission
Washington, D.C.

Dear Secretary:

I have enclosed an original and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a security agreement, a primary document dated April 30, 1987.

The names and addresses of the parties to the documents are as follows:

Secured party: Chase Manhattan Bank (National Association), One Chase Manhattan Plaza, New York, New York 10081;

Borrower: PDG Acquisition Company, Eight Greenway Plaza, Suite 702, Houston, Texas 77046.

A description of the equipment covered in the document is attached hereto as Exhibit A.

A fee of \$10.00 is enclosed. Please return the original and extra copies not needed by the Commission for recordation to Robin J. Miles.

A short summary of the document to appear in the index follows:

Handwritten signature: Charles M. Piche

BRACEWELL & PATTERSON

Secretary, Interstate Commerce Commission
April 30, 1987
Page 2

Security agreement between PDG Acquisition Company,
Eight Greenway Plaza, Suite 702, Houston, Texas 77046 and
Chase Manhattan Bank (National Association), One Chase
Manhattan Plaza, New York, New York 10081 dated April 30,
1987 covering 54 railroad tank cars.

Very truly yours,

Bracewell & Patterson

A handwritten signature in cursive script that reads "Robin J. Miles".

Robin J. Miles

/dkl
Enclosures

Tank Cars Owned by PDGAC:

<u>Car Number</u>	<u>Size (MG)</u>	<u>Date Built</u>	<u>AAR Designated Number</u>	<u>DOT Car Specification</u>
1. PPGX10503	10	5/63	T103	ICC111A100W1
2. PPGX10800	20	11/70	T105	DOT111A100W1
3. PPGX10801	20	11/70	T105	DOT111A100W1
4. PPGX10802	20	11/70	T105	DOT111A100W1
5. PPGX10803	20	11/70	T105	DOT111A100W1
6. PPGX10804	20	11/70	T105	DOT111A100W1
7. PPGX10805	20	11/70	T105	DOT111A100W1
8. PPGX10806	20	11/70	T105	DOT111A100W1
9. PPGX10807	20	11/70	T105	DOT111A100W1
10. PPGX10808	20	11/70	T105	DOT111A100W1
11. PPGX10809	20	11/70	T105	DOT111A100W1
12. PPGX10810	20	11/70	T105	DOT111A100W1
13. PPGX10811	20	11/70	T105	DOT111A100W1
14. PPGX10812	20	11/70	T105	DOT111A100W1
15. PPGX10813	20	11/70	T105	DOT111A100W1
16. PPGX10814	20	11/70	T105	DOT111A100W1
17. PPGX10815	20	7/71	T105	DOT111A100W1
18. PPGX10816	20	6/71	T105	DOT111A100W1
19. PPGX10817	20	7/71	T105	DOT111A100W1
20. PPGX10818	20	7/71	T105	DOT111A100W1
21. PPGX10819	20	7/71	T105	DOT111A100W1
22. PPGX10820	20	7/71	T105	DOT111A100W1
23. PPGX10821	20	7/71	T105	DOT111A100W1
24. PPGX10822	20	7/71	T105	DOT111A100W1
25. PPGX10823	20	7/71	T105	DOT111A100W1
26. PPGX10824	20	7/71	T105	DOT111A100W1
27. PPGX10825	20	7/71	T105	DOT111A100W1
28. PPGX10826	20	2/72	T105	DOT111A100W1
29. PPGX10827	20	2/72	T105	DOT111A100W1
30. PPGX10828	20	2/72	T105	DOT111A100W1
31. PPGX10829	20	2/72	T105	DOT111A100W1
32. PPGX10830	20	2/72	T105	DOT111A100W1

<u>Car Number</u>	<u>Size (MG)</u>	<u>Date Built</u>	<u>AAR Designated Numbers</u>	<u>DOT Car Specifications</u>	
33.	PPGX10831	20	2/72	T105	DOT111A100W1
34.	PPGX10832	20	2/72	T105	DOT111A100W1
35.	PPGX10834	20	2/72	T105	DOT111A100W1
36.	PPGX10835	20	2/72	T105	DOT111A100W1
37.	PPGX10836	20	2/72	T105	DOT111A100W1
38.	PPGX10837	20	2/72	T105	DOT111A100W1
39.	PPGX10838	20	2/72	T105	DOT111A100W1
40.	PPGX10839	20	2/72	T105	DOT111A100W1
41.	PPGX10840	20	2/72	T105	DOT111A100W1
42.	PPGX10843	20	2/72	T105	DOT111A100W1
43.	PPGX10844	20	2/72	T105	DOT111A100W1
44.	PPGX10845	20	2/72	T105	DOT111A100W1
45.	PPGX10847	20	2/72	T105	DOT111A100W1
46.	PPGX10848	20	2/72	T105	DOT111A100W1
47.	PPGX10849	20	2/72	T105	DOT111A100W1
48.	PPGX10850	20	2/72	T105	DOT111A100W1
49.	PPGX10851	20	2/72	T105	DOT111A100W1
50.	PPGX10852	20	5/72	T105	DOT111A100W1
51.	PPGX10854	20	5/72	T105	DOT111A100W1
52.	PPGX10855	20	5/72	T105	DOT111A100W1
53.	PPGX10856	20	5/72	T105	DOT111A100W1
54.	PPGX5232	10	4/53	T103	ICC103W

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

4/30/87

Robin J. Miles
Bracewell & Patterson
2900 South Tower Pennzoil Place
Houston, Texas 77002

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 4/30/87 at 10:35am, and assigned re-
recording number(s). 15216

Sincerely yours,

Noreta R. McGehee
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 1 5216 Filed & Recorded

APR 30 1987 10:35 AM

SECURITY AGREEMENT INTERSTATE COMMERCE COMMISSION

AGREEMENT dated as of April 30, 1987 between PDG ACQUISITION COMPANY, a Delaware corporation (with its successors, the "Borrower") and THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), as Agent.

W I T N E S S E T H :

WHEREAS, the Borrower, Cain Chemical Inc., a Delaware corporation, as guarantor, certain banks and The Chase Manhattan Bank (National Association), as agent for such banks are parties to a Credit Agreement of even date herewith (as the same may be amended from time to time, the "Credit Agreement") providing, subject to the terms and conditions thereof, for extensions of credit to be made by said banks to the Borrower in an aggregate principal amount not exceeding \$42,000,000;

WHEREAS, in order to induce said banks and The Chase Manhattan Bank (National Association), as agent for such banks, to enter into the Credit Agreement, the Borrower has agreed to grant a continuing security interest in and to the Collateral (as hereafter defined) to secure its obligations under the Credit Agreement and the Notes issued pursuant thereto;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Definitions

Terms defined in the Credit Agreement and not otherwise defined herein have, as used herein, the respective meanings provided for therein. The following additional terms, as used herein, have the following respective meanings:

"Accounts" means all "accounts" (as defined in the UCC) now owned or hereafter acquired by the Borrower, and shall also mean and include all accounts receivable, contract rights, book debts, notes, drafts and other obligations or

indebtedness owing to the Borrower arising from the sale, lease or exchange of goods or other property by it and/or the performance of services by it (including, without limitation, any such obligation which might be characterized as an account, contract right or general intangible under the Uniform Commercial Code in effect in any jurisdiction) and all of the Borrower's rights in, to and under all purchase orders for goods, services or other property, and all of the Borrower's rights to any goods, services or other property represented by any of the foregoing (including returned or repossessed goods and unpaid sellers' rights of rescission, replevin, reclamation and rights to stoppage in transit) and all monies due to or to become due to the Borrower under all contracts for the sale, lease or exchange of goods or other property and/or the performance of services by it (whether or not yet earned by performance on the part of the Borrower), in each case whether now in existence or hereafter arising or acquired including, without limitation, the right to receive the proceeds of said purchase orders and contracts and all collateral security and guarantees of any kind given by any Person with respect to any of the foregoing.

"Collateral" has the meaning set forth in Section 3.

"Collateral Account" has the meaning set forth in Section 5.

"Documents" means all "documents" (as defined in the UCC) or other receipts covering, evidencing or representing goods, now owned or hereafter acquired, by the Borrower.

"Equipment" means all "equipment" (as defined in the UCC) now owned or hereafter acquired by the Borrower, including without limitation all motor vehicles, trucks, trailers and Rolling Stock.

"General Intangibles" means all "general intangibles" (as defined in the UCC) now owned or hereafter acquired by the Borrower, including, without limitation, all right, title and interest of the Borrower under the Assigned Agreements, the Partnership Interest, the Remaining Partnership Interest, all obligations or indebtedness owing to the Borrower (other than Accounts) from whatever source arising and all Patent Licenses, Patents, Trademark Licenses, Trademarks, rights in intellectual property, goodwill, trade names, service marks, trade secrets, copyrights, permits and licenses.

"Instruments" means all "instruments", "chattel paper" or "letters of credit" (each as defined in the UCC) evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any of the Accounts, including (but not limited to) promissory notes, drafts, bills of exchange and trade acceptances, now owned or hereafter acquired by the Borrower.

"Leased Rolling Stock" has the meaning set forth in Section 3(A).

"Inventory" means all "inventory" (as defined in the UCC), now owned or hereafter acquired by the Borrower, wherever located, and shall also mean and include, without limitation, all raw materials and other materials and supplies, work-in-process and finished goods and any products made or processed therefrom and all substances, if any, commingled therewith or added thereto.

"Partnership Interest" shall mean the 48.5% limited partnership interest and the 0.5% general partnership interest in the Partnership to be acquired by the Borrower pursuant to the Purchase and Sale Agreement.

"Patent License" means any written agreement now or hereafter in existence granting to the Borrower any right to practice any invention on which a Patent is in existence.

"Patents" means all the following: (i) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or any other country, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof and (ii) all reissues, continuations, continuations-in-part or extensions thereof.

"Perfection Certificate" means a certificate substantially in the form of Exhibit A, completed and supplemented with the schedules and attachments contemplated thereby to the satisfaction of the Agent, and duly executed by the chief executive officer and the chief legal officer of the Borrower.

"Permitted Liens" means the Security Interests and the Liens on the Collateral permitted to be created, assumed or exist pursuant to Section 8.10 of the Credit Agreement.

"Proceeds" means all proceeds of, and all other profits, rentals or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, collateral, including without limitation all claims of the Borrower against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any collateral, and any condemnation or requisition payments with respect to any collateral, in each case whether now existing or hereafter arising.

"Remaining Partnership Interest" means the 1% limited partnership interest of PPG in the Partnership to be acquired by the Borrower pursuant to the Limited Partnership Purchase and Sale Agreement.

"Rolling Stock" means all railcars, barges and other water carrier equipment, including without limitation, the rail tank cars listed on Schedule 1 hereto and all accessories, appurtenances and parts installed on and additions thereto, and replacements thereof, now owned or hereafter acquired by the Borrower.

"Rolling Stock Leases" has the meaning set forth in Section 3(A).

"Rolling Stock Revenues" means any monies, revenues, payments or credits now owned or hereafter acquired by the Borrower which are generated by or attributable to the Rolling Stock or Leased Rolling Stock, including without limitation car hire payments, mileage allowances, per diem mileage payments, empty mileage allowances, mileage credits and excess mileage credits, in each case whether now existing or hereafter arising.

"Secured Obligations" means the obligations secured under this Agreement including (a) all principal of and interest (including, without limitation, any interest which accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of the Borrower) on any loan under, or any note issued pursuant to, the Credit Agreement, (b) all other amounts payable by the Borrower hereunder or under the Credit

Agreement and (c) any renewals or extensions of any of the foregoing.

"Security Interests" means the security interests granted pursuant to Section 3, as well as all other security interests created or assigned as additional security for the Secured Obligations pursuant to the provisions of this Agreement.

"Trademark License" means any written agreement now or hereafter in existence granting to the Borrower any right to use any Trademark.

"Trademarks" means all of the following: (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof and (ii) all reissues, extensions or renewals thereof.

"UCC" means the Uniform Commercial Code as in effect on the date hereof in the State of New York; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the Security Interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

SECTION 2. Representations and Warranties

The Borrower represents and warrants as follows:

(A) The Borrower has good and marketable title to all of the Collateral, free and clear of any Liens other than the Permitted Liens. The Borrower has taken all actions necessary under the UCC to perfect its interest in any

Accounts purchased or otherwise acquired by it, as against its assignors and creditors of its assignors.

(B) The Borrower has not performed any acts which might prevent the Agent from enforcing any of the terms of this Agreement or which would limit the Agent in any such enforcement. Other than financing statements or other similar or equivalent documents or instruments with respect to the Security Interests and Permitted Liens, (i) no financing statement, mortgage, security agreement or similar or equivalent document or instrument covering all or any part of the Collateral is on file or of record in any jurisdiction in which such filing or recording would be effective to perfect a Lien on such Collateral and (ii) no certificate of title, financing statement or filing with the Interstate Commerce Commission ("ICC"), the Association of American Railroads, the Department of Transport or any other government or industry authority with respect to any of the Rolling Stock or the Leased Rolling Stock listed on Schedule 1 hereto is outstanding or on file. No Collateral is in the possession of any Person (other than the Borrower) asserting any claim thereto or security interest therein, except that the Agent or its designee may have possession of Collateral as contemplated hereby.

(C) Not later than the date of the first borrowing under the Credit Agreement, the Borrower shall deliver the Perfection Certificate to the Agent. The information set forth therein shall be correct and complete. Not later than 60 days following the date of the first borrowing, the Borrower shall furnish to the Agent file search reports from each filing office set forth in Schedule 7 to the Perfection Certificate or other evidence satisfactory to the Majority Banks confirming the filing information set forth in such Schedule.

(D) When UCC financing statements in appropriate form have been filed in the offices specified in the Perfection Certificate and this Security Agreement has been filed in the records of the ICC, the Security Interests shall constitute valid and perfected security interests in the Collateral (except Inventory in transit) to the extent that a security interest therein may be perfected by filing pursuant to the UCC or filing with the ICC, prior to all other Liens and rights of others therein except for the Permitted Liens.

(E) The Inventory and Equipment are insured in accordance with the requirements of the Credit Agreement.

(F) All Inventory has or will have been produced in compliance with the applicable requirements of the Fair Labor Standards Act, as amended.

(G) The description of the railcars contained in Schedule 1 hereto is an accurate description of the type of railway equipment that the railcars constitute, the A.A.R. mechanical designation thereof, all identifying marks thereon, sufficient in all respects to comply with the requirements of any applicable filing or other regulations.

(H) The Borrower has heretofore delivered true and correct copies of the Rolling Stock Leases as of this date and will deliver within five (5) Business Days of entering therein, any other Rolling Stock Lease and the Borrower shall not without the consent of the Agent permit to occur any amendment, other modification or termination of the Rolling Stock Leases.

SECTION 3. The Security Interests

(A) In order to secure the full and punctual payment of the Secured Obligations in accordance with the terms thereof, and to secure the performance of all of the obligations of the Borrower hereunder and under the Credit Agreement, the Borrower hereby grants to the Agent for the ratable benefit of the Banks a continuing security interest in and to all of the following property of the Borrower, whether now owned or existing or hereafter acquired or arising and regardless of where located (all being collectively referred to as the "Collateral"):

- (1) Accounts;
- (2) Inventory;
- (3) General Intangibles;
- (4) Documents;
- (5) Instruments;
- (6) Equipment;

(7) The Collateral Account, all cash deposited therein from time to time, the Liquid Investments made pursuant to Section 5(D) and other monies and property of any kind of the Borrower

in the possession or under the control of the Agent;

(8) All books and records (including, without limitation, customer lists, marketing information, credit files, price lists, operating records, vendor and supplier price lists, sales literature, computer programs, printouts and other computer materials and records) of the Borrower pertaining to any of the Collateral;

(9) All right, title, claims and benefits now owned or hereafter acquired by the Borrower in and to those railcar leases and subleases identified on Schedule 2 hereto and any other railcar leases, subleases, rental agreements and car hire contracts in which the Borrower shall at any time have any interest, and any right, title, claim and benefits of the Borrower now owned or hereafter acquired in and to any management agreement concerning all such leases and agreements (collectively, "Rolling Stock Leases"); and all right, title and interest of the Borrower in the railcars and equipment provided pursuant to the Rolling Stock Leases, including without limitation, those rail tank cars identified on Schedule 3 hereto ("Leased Rolling Stock"); in each case, including without limitation, all rights of the Borrower to receive and apply any Rolling Stock Revenues attributable to the Leased Rolling Stock or pursuant to the Rolling Stock Leases;

(10) All rights now owned or hereafter acquired by the Borrower to receive and collect any Rolling Stock Revenues;

(11) All Proceeds of, attachments or accessions to, or substitutions for all or any of the Collateral described in Clauses 1 through 10 hereof.

(B) The Security Interests are granted as security only and shall not subject the Agent or any Bank to, or transfer or in any way affect or modify, any obligation or liability of the Borrower with respect to any of the Collateral or any transaction in connection therewith.

SECTION 4. Further Assurances; Covenants

(A) (I) The Borrower will not change the location of (i) its chief executive office or chief place of business or (ii) the locations where it keeps or holds any Collateral (other than Inventory) or any records relating thereto from the applicable location described in the Perfection Certificate unless it shall have given the Agent prior notice thereof and delivered an opinion of counsel with respect thereto in accordance with Section 4(N). The Borrower shall not in any event change the location of any Collateral if such change would cause the Security Interests in such Collateral to lapse or cease to be perfected.

(II) The Borrower will not change its name, identity or corporate structure in any manner unless it shall have given the Agent prior notice thereof and delivered an opinion of counsel with respect thereto in accordance with Section 4(N).

(B) The Borrower will, from time to time, at its expense, execute, deliver, file and record any statement, assignment, instrument, document, agreement or other paper and take any other action (including, without limitation, any filings with the United States Patent and Trademark Office, any filings with the ICC and any filings of financing or continuation statements under the UCC) that from time to time may be necessary or desirable, or that the Agent may request, in order to create, preserve, upgrade in rank (to the extent required hereby), perfect, confirm or validate the Security Interests or to enable the Agent and the Banks to obtain the full benefits of this Agreement, or to enable the Agent to exercise and enforce any of its rights, powers and remedies hereunder with respect to any of the Collateral. To the extent permitted by law, the Borrower hereby authorizes the Agent to execute and file financing statements or continuation statements without the Borrower's signature appearing thereon. The Borrower agrees that a carbon, photographic, photostatic or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement. The Borrower shall pay the costs of, or incidental to, any recording or filing of any financing or continuation statements concerning the Collateral.

(C) If any Collateral is at any time in the possession or control of any warehouseman, bailee or any of the Borrower's agents or processors, the Borrower shall, upon the request of the Agent acting on the instructions of the Majority Banks, notify such warehouseman, bailee, agent or

processor of the Security Interests created hereby and to hold all such Collateral for the Agent's account subject to the Agent's instructions.

(D) The Borrower shall keep full and accurate books and records relating to the Collateral, and stamp or otherwise mark such books and records in such manner as the Majority Banks may reasonably require in order to reflect the Security Interests.

(E) The Borrower will immediately deliver and pledge each Instrument to the Agent, appropriately endorsed to the Agent, provided that so long as no Event of Default shall have occurred and be continuing, the Borrower may retain for collection in the ordinary course any Instruments (other than checks and drafts constituting payments in respect of Accounts, as to which the provisions of Section 5(B) shall apply) received by it in the ordinary course of business and the Agent shall, promptly upon request of the Borrower, make appropriate arrangements for making any other Instrument pledged by the Borrower available to it for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate to the Agent, against trust receipt or like document).

(F) The Borrower shall use its best efforts to cause to be collected from its account debtors, as and when due, any and all amounts owing under or on account of each Account (including, without limitation, Accounts which are delinquent, such Accounts to be collected in accordance with lawful collection procedures) and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account, except that, unless an Event of Default has occurred and is continuing, the Borrower may allow in the ordinary course of business as adjustments to amounts owing under its Accounts (i) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, which the Borrower finds appropriate in accordance with sound business judgment and (ii) a refund or credit due as a result of returned or damaged merchandise, all in accordance with the Borrower's ordinary course of business consistent with its historical collection practices. The costs and expenses (including, without limitation, attorney's fees) of collection, whether incurred by the Borrower or the Agent, shall be borne by the Borrower.

(G) Upon the occurrence and during the continuance of any Event of Default, upon the request of the Majority Banks, the Borrower will promptly notify (and the Borrower hereby authorizes the Agent so to notify) each account debtor in respect of any Account or Instrument that such Collateral has been assigned to the Agent hereunder, and that any payments due or to become due in respect of such Collateral are to be made directly to the Agent or its designee.

(H) The Borrower shall, (i) on or prior to the date of the first borrowing, in the case of Equipment now owned and (ii) within 10 days of acquiring any other Equipment, deliver to the Agent any and all certificates of title, applications for title or similar evidence of ownership of such Equipment and shall cause the Agent to be named as lienholder on any such certificate of title or other evidence of ownership. The Borrower shall promptly inform the Agent of any additions to or deletions from the Equipment and shall not permit any such items to become a fixture to real estate or an accession to other personal property.

(I) The Borrower shall within 10 Business Days of a written request from the Agent to the Borrower, at its own cost and expense, cause to be plainly, distinctly, permanently and conspicuously placed, fastened, or painted upon each side of each item of Rolling Stock a legend bearing such words as the Agent may request indicating the Lien over and security interest in such Rolling Stock created hereby in letters not less than one inch in height. The Borrower shall not permit the Rolling Stock to be operated outside the boundaries of the continental United States.

(J) Without the prior written consent of the Majority Banks, the Borrower will not (a) sell, lease, exchange, assign or otherwise dispose of, or grant any option with respect to, any Collateral except as permitted under Section 8.09 of the Credit Agreement and, in the case of any such sale or exchange, the Security Interests created hereby in such item (but not in any Proceeds arising from such sale or exchange) shall cease immediately without any further action on the part of the Agent; or (b) create, incur or suffer to exist any Lien with respect to any Collateral, except for the Permitted Liens.

(K) Prior to the date of the first borrowing under the Credit Agreement, the Borrower will cause the Agent to be named as an insured party and loss payee on each insurance policy covering risks relating to any of its Inventory and Equipment. The Borrower will deliver to the Agent, upon

request of the Agent, the insurance policies for such insurance. Each such insurance policy shall include effective waivers by the insurer of all claims for insurance premiums against the Agent or any Bank, provide that all insurance proceeds shall be adjusted with and payable to the Agent and provide that no cancellation or termination thereof shall be effective until at least 30 days after receipt by the Agent of written notice thereof.

(L) The Borrower will, promptly upon request, provide to the Agent all information and evidence it may reasonably request concerning the Collateral, and in particular the Accounts, to enable the Agent to enforce the provisions of this Agreement.

(M) The Borrower shall notify the Agent immediately if it knows, or has reason to know, that any application or registration relating to any Patent or Trademark may become abandoned or dedicated, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court) regarding the Borrower's ownership of any Patent or Trademark, its right to register the same, or to keep and maintain the same. In the event that any Patent, Patent License, Trademark or Trademark License is infringed, misappropriated or diluted by a third party, the Borrower shall notify the Agent promptly after it learns thereof and shall, unless the Borrower shall reasonably determine that any such action would be of negligible economic value, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as the Borrower shall reasonably deem appropriate under the circumstances to protect such Patent, Patent License, Trademark or Trademark License. In no event shall the Borrower, either itself or through any agent, employee or licensee, file an application for the registration of any Patent or Trademark with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, unless not less than 30 days prior thereto it informs the Agent, and, upon request of the Agent, executes and delivers any and all agreements, instruments, documents and papers the Agent may request to evidence the Security Interests in such Patent or Trademark and the goodwill and general intangibles of the Borrower relating thereto or represented thereby, and the Borrower hereby constitutes the Agent its attorney-in-fact to execute and file all such

writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest shall be irrevocable until the Secured Obligations are paid in full.

(N) Not more than six months nor less than 10 days prior to each date on which the Borrower proposes to take any action contemplated by Section 4(A)(I) or (II), the Borrower shall, at its cost and expense, cause to be delivered to the Banks an opinion of counsel, satisfactory to the Agent, substantially in the form of Exhibit B to the effect that all financing statements and amendments or supplements thereto, continuation statements and other documents required to be recorded or filed in order to perfect and protect the Security Interests for a period, specified in such opinion, continuing until a date not earlier than eighteen months from the date of such opinion, against all creditors of and purchasers from the Borrower have been filed in each filing office necessary for such purpose and that all filing fees and taxes, if any, payable in connection with such filings have been paid in full.

(O) From time to time upon request by the Agent, the Borrower shall, at its cost and expense, cause to be delivered to the Banks an opinion of counsel satisfactory to the Agent as to such matters relating to the transactions contemplated hereby as the Majority Banks may reasonably request.

SECTION 5. Collateral Account

(A) There is hereby established with the Agent a cash collateral account (the "Collateral Account") in the name and under the control of the Agent into which there shall be deposited from time to time the cash proceeds of the Collateral required to be delivered to the Agent pursuant to subsection (B) of this Section 5 or any other provision of this Agreement. Any income received by the Agent with respect to the balance from time to time standing to the credit of the Collateral Account, including any interest or capital gains on Liquid Investments, shall remain, or be deposited, in the Collateral Account. All right, title and interest in and to the cash amounts on deposit from time to time in the Collateral Account together with any Liquid Investments from time to time made pursuant to subsection (D) of this Section shall vest in the Agent, shall constitute part of the Collateral hereunder and shall not constitute

payment of the Secured Obligations until applied thereto as hereinafter provided.

(B) The Borrower shall instruct all account debtors and other Persons obligated in respect of all Accounts or in respect of any Rolling Stock Revenues to make all payments in respect of such Accounts or Rolling Stock Revenues either (i) directly to the Agent (by instructing that such payments be remitted to a post office box which shall be in the name and under the control of the Agent) or (ii) to one or more other banks in any state (other than Louisiana) in the United States (by instructing that such payments be remitted to a post office box which shall be in the name and under the control of such bank) under a Lockbox Letter substantially in the form of Exhibit C hereto duly executed by the Borrower and such bank or under other arrangements, in form and substance satisfactory to the Agent, pursuant to which the Borrower shall have irrevocably instructed such other bank (and such other bank shall have agreed) to remit all proceeds of such payments directly to the Agent for deposit into the Collateral Account or as the Agent may otherwise instruct such bank. All such payments made to the Agent shall be deposited in the Collateral Account. In addition to the foregoing, the Borrower agrees that if the proceeds of any Collateral hereunder (including the payments made in respect of Accounts or Rolling Stock Revenues) shall be received by it, the Borrower shall as promptly as possible deposit such proceeds into the Collateral Account. Until so deposited, all such proceeds shall be held in trust by the Borrower for and as the property of the Agent and the Banks and shall not be commingled with any other funds or property of the Borrower.

(C) The balance from time to time standing to the credit of the Collateral Account shall, except upon the occurrence and continuation of an Event of Default, be distributed to the Borrower upon the order of the Borrower. If immediately available cash on deposit in the Collateral Account is not sufficient to make any distribution to the Borrower referred to in the previous sentence of this Section 5(C), the Agent shall liquidate as promptly as practicable Liquid Investments as required to obtain sufficient cash to make such distribution and, notwithstanding any other provision of this Section 5, such distribution shall not be made until such liquidation has taken place. Upon the occurrence and continuation of an Event of Default, the Agent shall, if so instructed by the Majority Banks, apply or cause to be applied (subject to collection) any or all of the

balance from time to time standing to the credit of the Collateral Account in the manner specified in Section 9.

(D) Amounts on deposit in the Collateral Account shall be invested and re-invested from time to time in such Liquid Investments as the Borrower shall determine, which Liquid Investments shall be held in the name and be under the control of the Agent, provided that, if an Event of Default has occurred and is continuing, the Agent shall, if instructed by the Majority Banks, liquidate any such Liquid Investments and apply or cause to be applied the proceeds thereof to the payment of the Secured Obligations in the manner specified in Section 9. For this purpose, (i) each Liquid Investment shall mature within 30 days after it is acquired by the Agent and (ii) in order to provide the Agent, for the benefit of the Banks, with a perfected security interest therein, each Liquid Investment shall be either:

(i) evidenced by negotiable certificates or instruments, or if non-negotiable then issued in the name of the Agent, which (together with any appropriate instruments of transfer) are delivered to, and held by, the Agent or an agent thereof (which shall not be the Borrower or any of its Affiliates) in the State of New York; or

(ii) in book-entry form and issued by the United States and subject to pledge under applicable state law and Treasury regulations and as to which (in the opinion of counsel to the Agent) appropriate measures shall have been taken for perfection of the Security Interests.

SECTION 6. General Authority

The Borrower hereby irrevocably appoints the Agent its true and lawful attorney, with full power of substitution, in the name of the Borrower, the Agent, the Banks or otherwise, for the sole use and benefit of the Agent and the Banks, but at the Borrower's expense, to the extent permitted by law to exercise, at any time and from time to time while an Event of Default has occurred and is continuing, all or any of the following powers with respect to all or any of the Collateral:

(i) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due thereon or by virtue thereof,

(ii) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto,

(iii) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof, as fully and effectually as if the Agent were the absolute owner thereof, and

(iv) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto;

provided that the Agent shall give the Borrower not less than ten days' prior written notice of the time and place of any sale or other intended disposition of any of the Collateral, except any Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market. The Borrower agrees that such notice constitutes "reasonable notification" within the meaning of Section 9-504(3) of the UCC.

SECTION 7. Remedies upon Event of Default

(A) If any Event of Default has occurred and is continuing, the Agent may exercise on behalf of the Banks all rights of a secured party under the UCC (whether or not in effect in the jurisdiction where such rights are exercised) and, in addition, the Agent may, without being required to give any notice, except as herein provided or as may be required by mandatory provisions of law, (i) withdraw all cash and Liquid Investments in the Collateral Account and apply such monies, Liquid Investments and other cash, if any, then held by it as Collateral as specified in Section 9 and (ii) if there shall be no such monies, Liquid Investments or cash or if such monies, Liquid Investments or cash shall be insufficient to pay all the Secured Obligations in full, sell the Collateral or any part thereof at public or private sale, for cash, upon credit or for future delivery, and at such price or prices as the Agent may deem satisfactory. The Agent or any Bank may be the purchaser of any or all of the Collateral so sold at any public sale (or, if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, at any private sale) and thereafter hold the same, absolutely, free from any right or claim of whatsoever kind. The Borrower will execute and

deliver such documents and take such other action as the Agent deems necessary or advisable in order that any such sale may be made in compliance with law. Upon any such sale the Agent shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. Each purchaser at any such sale shall hold the Collateral so sold to it absolutely, free from any claim or right of whatsoever kind, including any equity or right of redemption of the Borrower which, to the extent permitted by law, hereby specifically waives all rights of redemption, stay or appraisal which it has or may have under any law now existing or hereafter adopted. The notice (if any) of such sale required by Section 6 shall (1) in case of a public sale, state the time and place fixed for such sale, and (2) in the case of a private sale, state the day after which such sale may be consummated. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Agent may fix in the notice of such sale. At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels, as the Agent may determine. The Agent shall not be obligated to make any such sale pursuant to any such notice. The Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned. In case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by the Agent until the selling price is paid by the purchaser thereof, but the Agent shall not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may again be sold upon like notice. The Agent, instead of exercising the power of sale herein conferred upon it, may proceed by a suit or suits at law or in equity to foreclose the Security Interests and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

(B) For the purpose of enforcing any and all rights and remedies under this Agreement the Agent may (i) require the Borrower to, and the Borrower agrees that it will, at its expense and upon the request of the Agent, forthwith assemble all or any part of the Collateral as directed by the Agent and make it available at a place designated by the Agent which is, in its opinion, reasonably convenient to the Agent and the Borrower, whether at the premises of the Borrower or otherwise, (ii) to the extent

permitted by applicable law, enter, with or without process of law and without breach of the peace, any premise where any of the Collateral is or may be located, and without charge or liability to it seize and remove such Collateral from such premises, (iii) have access to and use the Borrower's books and records relating to the Collateral and (iv) prior to the disposition of the Collateral, store or transfer it without charge in or by means of any storage or transportation facility owned or leased by the Borrower, process, repair or recondition it or otherwise prepare it for disposition in any manner and to the extent the Agent deems appropriate and, in connection with such preparation and disposition, use without charge any trademark, trade name, copyright, patent or technical process used by the Borrower.

(C) Without limiting the generality of the foregoing, if any Event of Default has occurred and is continuing,

(i) the Agent may license, or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any Patents or Trademarks included in the Collateral throughout the world for such term or terms, on such conditions and in such manner as the Agent shall in its sole discretion determine;

(ii) the Agent may (without assuming any obligations or liability thereunder), at any time and from time to time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of the Borrower in, to and under any Patent Licenses or Trademark Licenses and take or refrain from taking any action under any thereof, and the Borrower hereby releases the Agent and each of the Banks from, and agrees to hold the Agent and each of the Banks free and harmless from and against any claims arising out of, any lawful action so taken or omitted to be taken with respect thereto; and

(iii) upon request by the Agent, the Borrower will execute and deliver to the Agent a power of attorney, in form and substance satisfactory to the Agent, for the implementation of any lease, assignment, license, sublicense, grant of option, sale or other disposition of a Patent or Trademark. In the event of any such disposition pursuant to this Section, the Borrower shall supply its know-how and expertise relating to the manufacture and

sale of the products bearing Trademarks or the products or services made or rendered in connection with Patents, and its customer lists and other records relating to such Patents or Trademarks and to the distribution of said products, to the Agent.

SECTION 8. Limitation on Duty of Agent
in Respect of Collateral.

Beyond the safe custody thereof, the Agent shall have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property, and shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other agent or bailee selected by the Agent in good faith.

SECTION 9. Application of Proceeds

Upon the occurrence and during the continuance of an Event of Default, the proceeds of any sale of, or other realization upon, all or any part of the Collateral and any cash held in the Collateral Account shall be applied by the Agent in the following order of priorities:

first, to payment of the expenses of such sale or other realization, including reasonable compensation to the Agent and its agents and counsel, and all expenses, liabilities and advances incurred or made by the Agent in connection therewith, and any other unreimbursed expenses for which the Agent or any Bank is to be reimbursed pursuant to Section 12.03 of the Credit Agreement or Section 13 hereof and unpaid fees owing to the Agent under the Credit Agreement;

second, to the ratable payment of accrued but unpaid interest on the Secured Obligations in accordance with the provisions of the Credit Agreement;

third, to the ratable payment of unpaid principal of the Secured Obligations;

fourth, to the ratable payment of all other Secured Obligations, until all Secured Obligations shall have been paid in full; and

finally, to payment to the Borrower or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

The Agent may make distributions hereunder in cash or in kind or, on a ratable basis, in any combination thereof.

SECTION 10. Assigned Agreements

The Borrower hereby irrevocably authorizes and empowers the Agent for and on behalf of the Banks in Agent's sole discretion, to assert, either directly or on behalf of the Borrower any claims the Borrower may have, from time to time, against any other party to the Assigned Agreements or to otherwise exercise any right or remedy of the Borrower under the Assigned Agreements (including, without limitation, the right to enforce directly against any party to an Assigned Agreement all of the Borrower's rights thereunder, to make all demands and give all notices and make all requests required or permitted to be made by the Borrower under the Assigned Agreements) as the Agent may deem proper. The Borrower hereby irrevocably makes, constitutes and appoints the Agent (and all officers, employees or agents designated by the Agent) as the Borrower's true and lawful attorney-in-fact for the purpose of enabling the Agent to assert and collect such claims and to exercise such rights and remedies. The Borrower shall keep the Agent informed of all material circumstances bearing upon the right, title and interest of the Borrower under the Assigned Agreements.

SECTION 11. Concerning the Agent

The provisions of Section 11 of the Credit Agreement shall inure to the benefit of the Agent in respect of this Agreement and shall be binding upon the parties to the Credit Agreement in such respect. In furtherance and not in derogation of the rights, privileges and immunities of the Agent therein set forth:

(A) The Agent is authorized to take all such action as is provided to be taken by it as Agent hereunder and all other action reasonably incidental thereto. As to any matters not expressly provided for herein (including, without limitation, the timing and methods of realization upon the Collateral) the Agent shall act or refrain from acting in accordance with written instructions from the Majority Banks or, in the absence of such instructions, in accordance with its discretion.

(B) The Agent shall not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Security Interests in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder. The Agent shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Agreement by the Borrower.

SECTION 12. Appointment of Co-Agents

At any time or times, in order to comply with any legal requirement in any jurisdiction, the Agent may appoint another bank or trust company or one or more other persons, either to act as co-agent or co-agents, jointly with the Agent, or to act as separate agent or agents on behalf of the Banks with such power and authority as may be necessary for the effectual operation of the provisions hereof and may be specified in the instrument of appointment (which may, in the discretion of the Agent, include provisions for the protection of such co-agent or separate agent similar to the provisions of Section 11).

SECTION 13. Expenses

In the event that the Borrower fails to comply with the provisions of the Credit Agreement or this Agreement, such that the value of any Collateral or the validity, perfection, rank or value of any Security Interest is thereby diminished or potentially diminished or put at risk, the Agent if requested by the Majority Banks may, but shall not be required to, effect such compliance on behalf of the Borrower, and the Borrower shall reimburse the Agent for the costs thereof on demand. All insurance expenses and all expenses of protecting, storing, warehousing, appraising,

insuring, handling, maintaining, and shipping the Collateral, any and all excise, property, sales, and use taxes imposed by any state, federal, or local authority on any of the Collateral, or in respect of periodic appraisals and inspections of the Collateral to the extent the same may be requested by the Majority Banks from time to time, or in respect of the sale or other disposition thereof shall be borne and paid by the Borrower; and if the Borrower fails to promptly pay any portion thereof when due, the Agent or any Bank may, at its option, but shall not be required to, pay the same and charge the Borrower's account therefor, and the Borrower agrees to reimburse the Agent or such Bank therefor on demand. All sums so paid or incurred by the Agent or any Bank for any of the foregoing and any and all other sums for which the Borrower may become liable hereunder and all costs and expenses (including attorneys' fees, legal expenses and court costs) reasonably incurred by the Agent or any Bank in enforcing or protecting the Security Interests or any of their rights or remedies under this Agreement, shall, together with interest thereon until paid at the rate applicable to Loans made under the Credit Agreement, be additional Secured Obligations hereunder.

SECTION 14. Termination of Security Interests; Release of Collateral

Upon the repayment in full of all Secured Obligations and the termination of the Commitments under the Credit Agreement, the Security Interests shall terminate and all rights to the Collateral shall revert to the Borrower. At any time and from time to time prior to such termination of the Security Interests, the Agent may release any of the Collateral with the prior written consent of the Majority Banks. Upon any such termination of the Security Interests or release of Collateral, the Agent will, at the expense of the Borrower, execute and deliver to the Borrower such documents as the Borrower shall reasonably request to evidence the termination of the Security Interests or the release of such Collateral, as the case may be.

SECTION 15. Notices

All notices, communications and distributions hereunder shall be given in accordance with Section 12.02 of the Credit Agreement.

SECTION 16. Waivers, Non-Exclusive Remedies

No failure on the part of the Agent to exercise, and no delay in exercising and no course of dealing with respect to, any right under the Credit Agreement or this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise by the Agent of any right under the Credit Agreement or this Agreement preclude any other or further exercise thereof or the exercise of any other right. The rights in this Agreement and the Credit Agreement are cumulative and are not exclusive of any other remedies provided by law.

SECTION 17. Successors and Assigns

This Agreement is for the benefit of the Agent and the Banks and their successors and assigns, and in the event of an assignment of all or any of the Secured Obligations, the rights hereunder, to the extent applicable to the indebtedness so assigned, may be transferred with such indebtedness. This Agreement shall be binding on the Borrower and its successors and assigns.

SECTION 18. Changes in Writing

Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only in writing signed by the Borrower and the Agent with the consent of the Majority Banks.

SECTION 19. New York Law

This Agreement shall be construed in accordance with and governed by the laws of the State of New York, except as otherwise required by mandatory provisions of law and except to the extent that remedies provided by the laws of any jurisdiction other than New York are governed by the laws of such jurisdiction.

SECTION 20. Severability

If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and

shall be liberally construed in favor of the Agent and the Banks in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

SECTION 21. Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

PDG ACQUISITION COMPANY

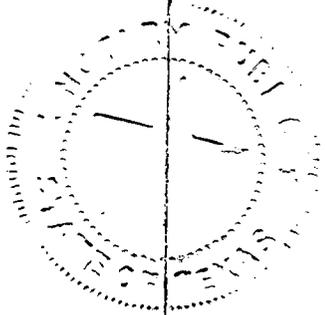
By Rudy Santal
Title: V.P. and Treasurer

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION),
as Agent

By _____
Title: _____

STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on April 30, 1987 by Robert J. Santoski, Vice President of PDG Acquisition Company, a Delaware corporation, on behalf of said corporation.



Donna K. Pennington
Notary Public in and for The
State of Texas

Name: DONNA K. PENNINGTON

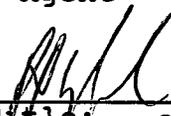
My Commission Expires: 2-19-88

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

PDG ACQUISITION COMPANY

By _____
Title:

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION),
as Agent

By  _____
Title: *2VP*

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the *25th* day of April, 1987, before me personally came *Paul Paschmitt*, to me known, who, being by me duly sworn, did depose and says that he resides at *14 E. 17th St., NYC 10003*; that he is a *2d V. P.* of THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), the association described in and which executed the above instrument; and that he signed his name thereto by order of the board of directors of said association.

Mary O'Donnell

Notary Public

MARY O'DONNELL
Notary Public, State of New York
No. 03-2942525
Qualified in Bronx County
Certificate filed in New York County
Commission Expires March 30, 1989

SCHEDULE 1

Tank Cars Owned by PDGAC:

<u>Car Number</u>	<u>Size (MG)</u>	<u>Date Built</u>	<u>AAR Designated Number</u>	<u>DOT Car Specification</u>	
1.	PPGX10503	10	5/63	T103	ICC111A100W1
2.	PPGX10800	20	11/70	T105	DOT111A100W1
3.	PPGX10801	20	11/70	T105	DOT111A100W1
4.	PPGX10802	20	11/70	T105	DOT111A100W1
5.	PPGX10803	20	11/70	T105	DOT111A100W1
6.	PPGX10804	20	11/70	T105	DOT111A100W1
7.	PPGX10805	20	11/70	T105	DOT111A100W1
8.	PPGX10806	20	11/70	T105	DOT111A100W1
9.	PPGX10807	20	11/70	T105	DOT111A100W1
10.	PPGX10808	20	11/70	T105	DOT111A100W1
11.	PPGX10809	20	11/70	T105	DOT111A100W1
12.	PPGX10810	20	11/70	T105	DOT111A100W1
13.	PPGX10811	20	11/70	T105	DOT111A100W1
14.	PPGX10812	20	11/70	T105	DOT111A100W1
15.	PPGX10813	20	11/70	T105	DOT111A100W1
16.	PPGX10814	20	11/70	T105	DOT111A100W1
17.	PPGX10815	20	7/71	T105	DOT111A100W1
18.	PPGX10816	20	6/71	T105	DOT111A100W1
19.	PPGX10817	20	7/71	T105	DOT111A100W1
20.	PPGX10818	20	7/71	T105	DOT111A100W1
21.	PPGX10819	20	7/71	T105	DOT111A100W1
22.	PPGX10820	20	7/71	T105	DOT111A100W1
23.	PPGX10821	20	7/71	T105	DOT111A100W1
24.	PPGX10822	20	7/71	T105	DOT111A100W1
25.	PPGX10823	20	7/71	T105	DOT111A100W1
26.	PPGX10824	20	7/71	T105	DOT111A100W1
27.	PPGX10825	20	7/71	T105	DOT111A100W1
28.	PPGX10826	20	2/72	T105	DOT111A100W1
29.	PPGX10827	20	2/72	T105	DOT111A100W1
30.	PPGX10828	20	2/72	T105	DOT111A100W1
31.	PPGX10829	20	2/72	T105	DOT111A100W1
32.	PPGX10830	20	2/72	T105	DOT111A100W1

<u>Car Number</u>	<u>Size (MG)</u>	<u>Date Built</u>	<u>AAR Designated Numbers</u>	<u>DOT Car Specifications</u>	
33.	PPGX10831	20	2/72	T105	DOT111A100W1
34.	PPGX10832	20	2/72	T105	DOT111A100W1
35.	PPGX10834	20	2/72	T105	DOT111A100W1
36.	PPGX10835	20	2/72	T105	DOT111A100W1
37.	PPGX10836	20	2/72	T105	DOT111A100W1
38.	PPGX10837	20	2/72	T105	DOT111A100W1
39.	PPGX10838	20	2/72	T105	DOT111A100W1
40.	PPGX10839	20	2/72	T105	DOT111A100W1
41.	PPGX10840	20	2/72	T105	DOT111A100W1
42.	PPGX10843	20	2/72	T105	DOT111A100W1
43.	PPGX10844	20	2/72	T105	DOT111A100W1
44.	PPGX10845	20	2/72	T105	DOT111A100W1
45.	PPGX10847	20	2/72	T105	DOT111A100W1
46.	PPGX10848	20	2/72	T105	DOT111A100W1
47.	PPGX10849	20	2/72	T105	DOT111A100W1
48.	PPGX10850	20	2/72	T105	DOT111A100W1
49.	PPGX10851	20	2/72	T105	DOT111A100W1
50.	PPGX10852	20	5/72	T105	DOT111A100W1
51.	PPGX10854	20	5/72	T105	DOT111A100W1
52.	PPGX10855	20	5/72	T105	DOT111A100W1
53.	PPGX10856	20	5/72	T105	DOT111A100W1
54.	PPGX5232	10	4/53	T103	ICC103W

SCHEDULE 2

Rolling Stock Leases

1. Tank Car Sublease, dated April 30, 1987, between PPG Industries, Inc. and PDG Acquisition Company.
2. Rider 3, dated March 1, 1983, to Lease of Railroad Equipment, dated January 1, 1977, between Pullman Transport Leasing Company and PPG Industries, Inc., as assigned to PDG Acquisition Company pursuant to the Tank Car Lease Assignment dated April 30, 1987.
3. Rider 28, dated March 12, 1970, as amended on April 15, 1974, October 1, 1976, October 22, 1981, 1987, to Car Service Contract 8675, dated December 27, 1984, between General American Transportation Corporation and PPG Industries, Inc., as assigned to PDG Acquisition Company pursuant to the Tank Car Lease Assignment dated April 30, 1987.
4. Rider 3, dated February 1, 1972, as amended on September 29, 1983 and March 15, 1984, and Rider 6, dated September 29, 1977, as amended on December 1, 1981, September 29, 1983, March 15, 1984 and November 11, 1986, to Tank Car Lease and Service Contract L28, dated June 15, 1976, between Richmond Leasing Company and PPG Industries, Inc., as assigned to PDG Acquisition Company pursuant to the Tank Car Lease Assignment dated April 30, 1987.

SCHEDULE 3

Tank Cars Leased by PDGAC:

	<u>Car Number</u>	<u>Size (MG)</u>	<u>Date Built</u>	<u>Expiration Date</u>
1.	ACFZ12247	20	1/63	7/31/87
2.	ACFX81798	20	1/65	7/31/87
3.	ACFX82144	20	1/66	7/31/87
4.	ACFX82146	20	1/66	7/31/87
5.	ACFX82312	20	1/67	7/31/87
6.	ACFX82315	20	1/67	7/31/87
7.	ACFX82317	20	1/67	7/31/87
8.	ACFX82482	20	1/67	7/31/87
9.	ACFX82483	20	1/67	7/31/87
10.	ACFX82484	20	1/67	7/31/87
11.	ACFX82489	20	1/67	7/31/87
12.	ACFX82582	20	1/67	7/31/87
13.	ACFX82586	20	1/67	7/31/87
14.	ACFX82587	20	1/67	7/31/87
15.	ACFX82588	20	1/67	7/31/87
16.	PLCX220254	20	3/80	2/22/88
17.	PLCX220255	20	3/80	2/22/88
18.	PLCX220256	20	3/80	2/22/88
19.	PLCX220257	20	3/80	2/22/88
20.	PLCX220260	20	3/80	2/22/88
21.	PLCX220261	20	3/80	2/22/88
22.	PLCX220262	20	3/80	2/22/88
23.	GATX66951	20	5/69	11/30/89
24.	RTMX2036	20	1/72	2/01/92
25.	RTMX2037	20	1/72	2/01/92
26.	RTMX2038	20	1/72	2/01/92
27.	RTMX2040	20	1/72	2/01/92
28.	RTMX2238	20	3/76	12/01/88

PERFECTION CERTIFICATE

The undersigned, the chief executive officer and chief legal officer of PDG ACQUISITION COMPANY, a Delaware corporation (the "Borrower"), hereby certify with reference to the Security Agreement dated as of April 30, 1987 between the Borrower and The Chase Manhattan Bank (National Association), as Agent (terms defined therein being used herein as therein defined), to the Agent and each Bank as follows:

1. Names. (a) The exact corporate name of the Borrower as it appears in its certificate of incorporation is as follows:

(b) Set forth below is each other corporate name the Borrower has had since its organization, together with the date of the relevant change:

(c) Except as set forth in Schedule 1, the Borrower has not changed its identity or corporate structure in any way within the past five years.

[Changes in identity or corporate structure would include mergers, consolidations and acquisitions, as well as any change in the form, nature or jurisdiction of corporate organization. If any such change has occurred, include in Schedule 1 the information required by paragraphs 1, 2 and 3 of this certificate as to each acquiree or constituent party to a merger or consolidation.]

(d) The following is a list of all other names (including trade names or similar appellations) used by the Borrower or any of its divisions or other business units at any time during the past five years:

2. Current Locations. (a) The chief executive office of the Borrower is located at the following address:

<u>Mailing Address</u>	<u>County</u>	<u>State</u>
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(b) The following are all the locations where the Borrower maintains any books or records relating to any Accounts:

<u>Name</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
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(c) The following are all the places of business of the Borrower not identified above:

<u>Name</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
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(d) The following are all the locations where the Borrower maintains any Inventory not identified above:

<u>Name</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
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(e) The following are the names and addresses of all Persons other than the Borrower which have possession of any of the Borrower's Inventory:

<u>Name</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
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3. Prior Locations. (a) Set forth below is the information required by subparagraphs (a), (b) and (c) of paragraph 2 with respect to each location or place of business maintained by the Borrower at any time during the past five years:

(b) Set forth below is the information required by subparagraphs (d) and (e) of paragraph 2 with respect to each location or bailee where or with whom Inventory has been lodged at any time during the past four months:

4. Unusual Transactions. Except as set forth in Schedule 4, all Accounts have been originated by the Borrower and all Inventory and Equipment has been acquired by the Borrower in the ordinary course of its business.

5. File Search Reports. Attached hereto as Schedule 5(A) is a true copy of a file search report from the Uniform Commercial Code filing officer in each jurisdiction identified in paragraph 2 or 3 above with respect to each name set forth in paragraph 1 above. Attached hereto as Schedule 5(B) is a true copy of each financing statement or other filing identified in such file search reports. A file search has been performed in the records of the Interstate Commerce Commission with respect to all of the Rolling Stock and Leased Rolling Stock and no other filings related to the Rolling Stock or Leased Rolling Stock were discovered in such search.

6. UCC and ICC Filings. A duly signed financing statement on Form UCC-1 in substantially the form of Schedule 6(A) hereto has been duly filed in the Uniform Commercial Code filing office in each jurisdiction identified in paragraph 2 hereof and a duly signed copy of the Security Agreement has been duly filed with the Secretary of the Interstate Commerce Commission. Attached hereto as Schedule

6(B) is a true copy of each such filing duly acknowledged by the filing officer.

7. Schedule of Filings. Attached hereto as Schedule 7 is a schedule setting forth filing information with respect to the filings described in paragraph 6 above.

8. Filing Fees. All filing fees and taxes payable in connection with the filings described in paragraph 6 above have been paid.

IN WITNESS WHEREOF, we have hereunto set our hands
this day of , 19__.

Title:

Title:

Description of Collateral

- (1) Accounts;
- (2) Inventory;
- (3) General Intangibles;
- (4) Documents;
- (5) Instruments;
- (6) Equipment;

(7) The Collateral Account, all cash deposited therein from time to time, the Liquid Investments made pursuant to Section 5(D) and other monies and property of any kind of the Borrower in the possession or under the control of the Agent;

(8) All books and records (including, without limitation, customer lists, marketing information, credit files, price lists, operating records, vendor and supplier price lists, sales literature, computer programs, printouts and other computer materials and records) of the Borrower pertaining to any of the Collateral;

(9) All right, title, claims and benefits now owned or hereafter acquired by the Borrower in and to those railcar leases and subleases identified on Schedule 2 hereto and any other railcar leases, subleases, rental agreements and car hire contracts in which the Borrower shall at any time have any interest, and any right, title, claim and benefits of the Borrower now owned or hereafter acquired in and to any management agreement concerning all such leases and agreements (collectively, "Rolling Stock Leases"); and all right, title and interest of the Borrower in the railcars and equipment provided pursuant to the Rolling Stock Leases, including without limitation, those rail tank cars identified on Schedule 3 hereto ("Leased Rolling Stock"); in each case, including without limitation, all rights of the Borrower to receive and apply any Rolling Stock Revenues attributable to the Leased Rolling Stock or pursuant to the Rolling Stock Leases;

(10) All rights now owned or hereafter acquired by the Borrower to receive and collect any Rolling Stock Revenues;

(11) All Proceeds of, attachments or accessions to, or substitutions for all or any of the Collateral described in Clauses 1 through 10 hereof.

SCHEDULE OF FILINGS

<u>Debtor</u>	<u>Filing Officer</u>	<u>File Number</u>	<u>Date of Filing*</u>
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* Indicate lapse date, if other than fifth anniversary.

OPINION OF
COUNSEL FOR BORROWER

* * * *

The Security Agreement creates and constitutes as security for the Secured Obligations (as defined in the Security Agreement and including any future advances which are Secured Obligations), in favor of the Agent for the ratable benefit of the Banks a valid security interest in all right, title and interest of the Borrower in the Collateral and all right, title and interest of the Borrower in the Collateral Account (as defined in the Security Agreement). The security interests of the Agent in the Collateral created by the Security Agreement constitute perfected security interests under the Uniform Commercial Code as in effect in Texas ("UCC") and under the Interstate Commerce Act to the extent that a security interest therein may be perfected under the UCC or the Interstate Commerce Act. The priority, if any, of the security interests created by the Security Agreement with respect to any advance contemplated by the Credit Agreement and referred to in the Security Agreement ("Further Advance") made or deemed to have been made after the date hereof, will be at least the same priority as the priority, if any, of the security interests created by the Security Agreement with respect to any advance made on the date hereof, except to the extent that any priority may be affected by any security interest, lien or other encumbrance imposed by law in favor of any government or government authority or agency.

With respect to the enforceability of the Security Documents, we express no opinion as to the availability of specific performance. Moreover, our opinion with respect to the enforceability of the Security Documents is subject to the further qualification that certain remedial provisions thereof may be limited by the law of the State of Texas and applicable law of the United States of America, but such laws do not, in our opinion, make the remedies afforded thereby inadequate for the practical realization of the benefits of the security intended to be provided thereby.

[FORM OF LOCKBOX LETTER]

_____, 19__

[Name and Address of Lockbox Bank]

Re: PDG ACQUISITION COMPANY

Gentlemen:

We hereby notify you that effective _____, 19__, we have transferred exclusive ownership and control of our lock-box account[s] No[s]. _____ (the "Lock-box Account[s]") maintained with you under the terms of the [Lockbox Agreement] attached hereto as Exhibit A (the "Lock-box Account[s]") to The Chase Manhattan Bank (National Association), as Agent (the "Agent").

We hereby irrevocably instruct you to make all payments to be made by you out of or in connection with the Lockbox Account[s] (i) to the Agent for credit to account no. _____ maintained by it at its office at 1 Chase Manhattan Plaza, New York, New York 10081 or (ii) as you may otherwise be instructed by the Agent.

We also hereby notify you that the Agent shall be irrevocably entitled to exercise any and all rights in respect of or in connection with the Lockbox Account[s], including, without limitation, the right to specify when payments are to be made out of or in connection with the Lockbox Account[s].

All funds deposited into the Lockbox Account[s] will not be subject to deductions, set-off, banker's lien or any other right in favor of any other person than the Agent, except that you may set-off against the Lockbox Account[s] the face amount of any check deposited in and credited to such Lockbox Account[s] which is subsequently returned for any reason. Your compensation for providing the services contemplated herein shall be as mutually agreed between you and us from time to time and we will continue to pay such compensation.

Please confirm your acknowledgment of and agreement to the foregoing instructions by signing in the space provided below.

Very truly yours,

PDG ACQUISITION COMPANY

By _____
Title:

Acknowledged and agreed to as of this ____ day of _____, 19__.

[LOCKBOX BANK]

By _____
Title: