

PLM INVESTMENT MANAGEMENT INC.

A Subsidiary of PLM, Inc.
50 California Street
San Francisco, California 94111
415/989-1860
Telex 34430
TWX 910-372-7306

RECORDATION NO. **14142**
FILED TAGS

SEP 12 1983 - 3 45 PM

INTERSTATE COMMERCE COMMISSION

September 8, 1983

3-2554085

Interstate Commerce Commission
12th Street & Constitution N.W.
Room 2303
Washington, D.C. 20423
Attn.: Mrs. Mildred R. Lee

De. **SEP 12 1983**
Date of recording
Fee \$ **50.00**
HMZ
Washington, D. C.

Re: Recordation of Management Agreement

Ladies and Gentlemen:

You are hereby requested to record 2 original certified Management Agreements. Enclosed is a check in the amount of \$50 to cover recordation fee.

Under the Management Agreement, Newhannibal Corporation, as owner grants to PLM Investment Management, Inc. a California corporation, whose principal business address is at 50 California Street, San Francisco, California 94111, the right to manage the equipment hereinafter described to collect amounts due to or on behalf of owner with respect to such equipment and to disburse funds of owner to pay costs, expenses and obligations of owners with respect to such equipment, all as set forth therein.

The above described agreement relates to one (1) 4,650 cu.ft. capacity, 100 ton covered hopper car with the markings PLMX 7020.

Very truly yours,

Hanna M. Zalles
Operations Manager

HMZ:mc

RECEIVED
SEP 12 2 57 PM '83
I.C.C.
FEE OPERATION BR.

RECORDATION NO. 14142 Filed 1428

SEP 12 1983 .3 02 PM

INTERSTATE COMMERCE COMMISSION

MANAGEMENT AGREEMENT

This Agreement made as of September 8, 1983, by and between PLM Investment Management, Inc. (hereinafter referred to as the "Manager") and Newhannibal Corp. (hereinafter referred to as the "Owner").

RECITALS OF FACT

Owner has purchased the equipment set forth in Exhibit "A-1", which is incorporated herein by reference (such equipment is hereinafter referred to as the "Equipment").

The Manager is engaged in the business of managing equipment for owners, and Owner desires to retain the Manager as agent for the purpose of managing the Equipment on Owner's behalf, collecting amounts due to or on behalf of Owner with respect to the Equipment and disbursing funds of Owner to pay costs, expenses and obligations of Owner with respect to the Equipment, all on the terms and conditions set forth herein;

The Manager intends to manage similar equipment and to perform for the owners thereof, services substantially identical to those which the Manager will perform for Owner hereunder, and Owner desires that the Gross Revenues (as hereinafter defined) and the Operating Expenses (as hereinafter defined) attributable to the Equipment be accounted for and combined with the Gross Revenues and Operating Expenses (the "Pool") of all equipment managed by the Manager under the Program, all on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual premises made herein, Owner and the Manager hereby agree as follows:

1. **Engagement of the Manager.** Owner hereby engages the Manager as agent of Owner to manage the Equipment, collect amounts due to Owner with respect to the Equipment and disburse funds of Owner to pay costs, expenses and obligations of Owner with respect to the Equipment, all on the terms and conditions set forth herein, and the Manager accepts such engagement and agrees to act as agent for Owner and perform in accordance with the terms and conditions hereof. The term of this Agreement and the agency created hereby shall commence as of the date of this Agreement, and shall continue for a period of three (3) years. This Agreement shall terminate with respect to any Equipment which is withdrawn pursuant to Section 10 hereof, sold, lost or totally destroyed as of the date that such withdrawal is effective, or Equipment is lost or destroyed; provided further, however, that notwithstanding any termination of this Agreement, the Manager shall continue to be obligated to collect all rental payments, mileage allowances and other sums (including insurance benefits or lessee or indemnity payments payable in connection with any damage to or loss or total destruction of Equipment), and to pay or arrange for payment of all expenses, taxes and other charges on Equipment, due for or with respect to periods prior to such termination.

2. **Duties of the Manager.** In consideration of the compensation to be paid to the Manager by Owner pursuant to Section 5 hereof, and subject to the agreement of Owner to reimburse the Manager pursuant to Section 6 hereof, the Manager shall provide and perform the services on behalf of Owner set forth below during the term of this Agreement:

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

(b) Use its best efforts to insure that all steps are taken which may be necessary to have the Equipment registered and accepted by any and all regulatory agencies, where appropriate and as required by the terms of any lease or otherwise.

(c) Use its best efforts to collect all rental payments due with respect to the Equipment, identifying itself as agent for that purpose, and to account for and remit all sums due to Owner as hereinafter set forth; provided, however, that the Manager will place any funds received as mileage allowances or comparable funds with respect to the Equipment in a segregated bank account and such funds will be deposited in the same account with similar funds received for equipment managed by the Manager and owned by investors participating in other programs. All such funds (whether or not attributable to Equipment owned by Owner or other owners of equipment who are participating in this Program and other programs) will be used to make payments of mileage allowances or similar due to lessees with respect to all equipment managed by the Manager under all investor programs.

(d) In the event of a default under a lease, use its best efforts to terminate such lease and recover possession of the Equipment and enforce all rights of Owner with respect thereto, including the payment of all amounts owed under such leases or otherwise with respect to the Equipment as shall be appropriate or necessary in the judgment of the Manager exercised in good faith; and institute and prosecute legal proceedings in the name of Owner as is permitted by applicable laws in order to terminate such leases and/or recover possession of the Equipment; and, when expedient, settle, compromise and/or release such actions or suits or reinstate such leases.

(e) Use its best efforts to arrange to have the Equipment maintained in good condition, which shall be equal to or greater than the higher of (i) any standard required or set forth for the Equipment or equipment by the Industry to which it is a part, (ii) any standard set by a lessee, whether by terms of a lease or by other understanding or agreement between a lessee and the Manager, as agent for Owner, and (iii) any standard set by any insurance policy under which the Equipment or any of it shall from time to time be insured, and to arrange for all alternatives, modifications, improvements or additions to the Equipment to comply with applicable laws or regulations or any leases or which, in the discretion of the Manager, are otherwise necessary or advisable; provided, however, that no alterations, modifications, improvements or additions of the type referred to in Section 6(b) shall be made without the consent of Owner, which consent will be deemed to have been granted if Owner shall not have objected thereto in writing within 30 days after notice to Owner thereof and of the estimated cost thereof.

(f) Use its best efforts to place in Owner's name such insurance as shall be reasonably available to protect the interest of Owner in the Equipment (with the Manager, in its capacity as agent for Owner, being named in each such policy of insurance as a co-insured or additional insured), including, without limitation, insurance against (i) personal liability, including property damage and personal injury, (ii) loss of or damage to the Equipment, and (iii) loss of revenues with respect to the Equipment; provided, however, that if the Manager effects such insurance

under a blanket insurance policy, or insurance policy covering Owner's Equipment and other equipment of other owners, such insurance need not be placed in Owner's name so long as Owner is named as an insured; provided further, however, that if the Manager, in its sole discretion, determines that the cost of insurance described above is unreasonably high, or cannot be obtained, the Manager need not place or acquire such insurance and shall so notify Owner so that Owner may obtain insurance on his own behalf if he so elects.

(g) Use its best efforts to pay in Owner's name all personal property taxes and other taxes, charges, assessments, or levies imposed upon or against the Equipment of whatever kind or nature and, in the Manager's discretion, defend against any such charges and to seek revision or appeal from any assessment or charge deemed improper, all such actions to be in the name of Owner.

(h) Monitor and record movement of the Equipment.

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

(j) Paint the Equipment such colors and with such designs as the Manager may from time to time approve and place reporting marks or other such marks, legends, or placards on the Equipment as shall be appropriate or necessary to comply with any regulation imposed by any regulatory body or other agency.

(k) Provide Owner with advice and recommendations concerning the sale of the Equipment.

(l) Use its best efforts to collect all sums due Owner, including, without limitation, insurance benefits or indemnity payments, in the event of damage to, or loss or total destruction of, the Equipment during the term of this Agreement and to remit all sums due Owner as hereinafter provided.

(m) Furnish factual information reasonably requested by Owner in connection with federal, state, Mexican and Canadian tax returns.

(n) Pending distribution of funds to Owner, may but is not required to temporarily invest any funds held for Owner and not necessary for operation of the Management Program, in short term, highly liquid investments with appropriate safety of principal, such as U.S. Treasury Bonds or Bills, insured savings accounts, or similar investments.

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

3. Authority, and Limitations on Authority, of the Manager.

The Manager shall not have any authority to (i) offer for sale, contract or agree to sell or sell any Equipment except as Owner may from time to time hereafter expressly request or direct; (ii) make any alterations, modifications, improvements or additions to the Equipment of the type referred to in Section 6(b) without the consent (either express

or inferred, as provided in Section 2(f)) of Owner; or (iii) make any loan of the funds of the Owner to itself, any affiliate, or any other person or entity.

4. Owner's Revenues, Expenses and Net Earnings.

(a) The actual Gross Revenues (as hereinafter defined) derived from the operation of the Equipment and the actual Operating Expenses (as hereinafter defined) shall be accounted for and combined together with all Gross Revenues and Operating Expenses derived from and incurred by all equipment managed under the Program.

(b) (i) As used in this Agreement, the term "Gross Revenues" shall mean all income to Owner (unreduced by any expenses or costs) derived from the ownership, use and/or operation of the Equipment including, but not limited to, rentals and mileage charges collected under leases and mileage allowances, if any, not payable to a lessee and interest.

(ii) As used in this Agreement, the term "Operating Expenses" shall mean all expenses and costs incurred in connection with the ownership, management (specifically excluding any sums payable to the Manager under Section 5), use and/or operation of Equipment, including but not limited to, maintenance; repairs, except to the extent that the cost of such repairs is the responsibility of Owner under Section 6(d); painting; costs of modifications and improvements which are not alterations, modifications, improvements or additions of the type described in Section 6(b); legal and accounting fees incurred pursuant to Section 11; legal fees incurred in connection with enforcing lease rights or repossessing Equipment; insurance (and, if such insurance has been effected under a blanket insurance policy, or insurance policy covering the Equipment and other equipment of other owners, Owner's pro rata share of such insurance cost, it being understood that the Manager will use its best efforts to allocate to Owner's Equipment only such portion of such insurance cost as is attributable to such Equipment); charges, assessments, or levies imposed upon or against Equipment of whatever kind or nature; losses from liabilities which are not the responsibility of Owner under Section 6(e); and Owner's pro rata share of that portion of ad valorem, gross receipts and other property taxes which are levied against all equipment bearing "PLMX" reporting marks or other comparable identification marks and determined by the Manager to be attributable to the equipment in the Program (it being understood that it may not be possible to make an exact allocation of such taxes but the Manager will use its best efforts to allocate to the equipment in the Program only such portion of the aggregate of such taxes as are attributable to such equipment).

(c) Owner's Gross Revenue and Operating Expenses for any fiscal period shall be the product of (i) Gross Revenues derived from all equipment managed under the Program or Operating Expenses incurred by or with respect to all equipment managed under the Program, as the case may be, multiplied by (ii) a fraction the numerator of which is the product of the number of Equipment multiplied by the number of days in such fiscal period that the Equipment is managed under the Program and the denominator of which is the product of the total number of Equipment managed under the Program multiplied by the number of days in such fiscal period that such equipment is managed under the Management Program. The number of equipment managed under the Program shall be the number of equipment actually managed under the Program from time to time during such fiscal period and

if any equipment is destroyed, lost, sold, disposed of or withdrawn from the Program during such fiscal period, any computation under this Section 4(c) shall reflect such destruction, loss, sale, disposition or withdrawal; provided, however, that the owner of any equipment managed under the Program shall have entered into a management agreement with the Manager, the equipment owned by such owner (which may be Owner) shall not be considered to be managed under the Program until such equipment shall first have been delivered to and accepted by a lessee thereof and there shall not be any adjustment of computations under this Section 4(c) on account of the temporary withdrawal from service of any equipment for repairs, maintenance or reconstruction.

(d) As used in this Agreement, the term "Net Earnings" shall mean the Gross Revenues attributable to the Equipment less the sum of (i) the amount of the Operating Expenses attributable to the Equipment; (ii) all compensation paid or payable to the Manager under Section 5; and (iii) such reserves as the Manager shall, in its sole discretion, have reasonably created to provide for the efficient administration of this Agreement, for payment of accrued expenses not yet due, for the management of the Equipment, or for expenses relating to the Equipment arising or payable after the termination or expiration of this Agreement.

5. **Compensation.** As compensation to the Manager for the performance of services hereunder, Owner shall pay to the Manager 15% of the net earnings, with a minimum of twenty dollars (\$20.00) per car per month, which shall be payable the first day of each month for which they are due. All such fees shall be the sole responsibility of Owner and shall not constitute items of Operating Expenses.

6. **Distribution to Owner of Net Earnings; Payment of Costs and Expenses.**

(a) **Regular Distributions of Net Earnings.** Subject to Section 6(g) below, within 45 days after the end of each calendar quarter, the Manager shall distribute to Owner the excess of (i) the Net Earnings attributable to the operations of the Equipment during each quarter and (ii) the amount of Net Earnings, if any, for such quarter distributed for the benefit of Owner by the Manager.

(b) **Payment for Special Improvements.** The cost of any alterations, modifications, improvements or additions to the Equipment which is required by regulatory agency or is otherwise required to comply with applicable laws or regulations or any lease or which, in the discretion of the Manager, is otherwise necessary or advisable and is consented to by Owner shall be the sole responsibility of Owner. The Manager shall have the right to require Owner to pay the approximate cost thereof to the Manager, upon ten (10) days prior written notice. Upon completion, the Manager shall notify Owner of the exact amount of such costs, and, in the event that Owner has already paid more than such cost, the Manager shall refund the difference to Owner. If the amount already paid by Owner is less than the exact amount of such costs, Owner shall promptly pay to the Manager the amount of such difference.

(c) **Payment for Additional Insurance.** If the Manager determines, as provided in Section 2(f) hereof, that the cost of insurance described therein is unreasonably high, or cannot be obtained, and Owner elects to purchase such insurance to the extent obtainable, the cost thereof shall be the sole responsibility of Owner. Within ten (10) days of receipt of notice and demand from the Manager,

Owner shall pay to the Manager the cost of any such insurance placed or purchased by Owner through the Manager.

(d) **Payment for Certain Property Damage.** The cost of repair of damage to any Equipment (other than the cost of repairs which the Manager determines constitute maintenance of such Equipment) is the sole responsibility of Owner. Any payments, including, without limitation, insurance benefits or lessee indemnity payments, received to cover the damage to such Equipment (but not to cover loss or rental payment) shall be solely for the account and benefit of Owner (and shall not be included within the term "Gross Revenues"). The Manager shall have the right to require Owner to pay to the Manager, upon ten (10) days prior written notice and demand therefor, the approximate cost of the repairs which are the responsibility of Owner or, at the Manager's election, such portion of such cost as the Manager believes will not be covered by any such payments which may be received by the Manager (as co-insured or additional insured, as provided in Section 2(f)) to cover the cost of such damage (it being understood that the Manager may apply to such cost of such repair any payments so received by the Manager to cover the cost of damage to such Equipment. Upon completion of such repairs and determination of the payments received by the Manager and applied to payment of the cost of such damage, the Manager shall notify Owner of the exact amount of such costs and payments, and in the event that Owner has already paid more than the amount of such costs not paid from such payments received and applied by the Manager to such repair, the Manager shall refund the difference to Owner. If the amount already paid by Owner is less than the amount of such costs not paid from such payments received and applied by the Manager to such repairs, the Owner shall promptly pay to the Manager the amount of such difference. The Manager shall promptly remit to Owner any payments to cover such damage to such Equipment which are received by the Manager and not applied to payment of the cost of repair of such damage.

(e) **Payment of Uninsured Losses.** Losses from third party liability for bodily injury or property damage caused by any Equipment (including attorneys' fees) which are (i) not covered by insurance and (ii) are in excess of the lesser of (a) \$2,500 per occurrence per item for liability for bodily injury and \$2,500 per occurrence per item for liability for property damage and (b) the amount of the deductible(s) under any liability insurance for bodily injury and property damage on the Equipment are the sole responsibility of Owner. Within ten (10) days of receipt of notice and demand from the Manager, Owner shall pay to the Manager the amount of such liability. Any payments, including, without limitation, lessee indemnity payments, received to compensate for the losses which are not included within Operating Expenses referred to herein shall be solely for the account and benefit of Owner (and shall not be included within the term "Gross Revenues").

(f) **Receipts and Payments as Acts of Owner; Obligations of Owner.** In collecting or receiving any Gross Revenues and in paying or disbursing any Operating Expenses the Manager is acting solely as agent for Owner. The provisions of Sections 2, 4 and 6 of this Agreement shall not be understood to diminish or modify the rights of Owner to receive Gross Revenues or the obligations of Owner to pay Operating Expenses or Debt Service.

(g) **Right of Offset.** To the extent that Owner is obligated to the Manager in any amount, as a result of sums due under this Agreement or otherwise, the Manager may collect such sums due it by deducting appropriate amounts from Net Earnings.

7. Indemnification. Owner shall defend (if such defense is tendered to Owner), indemnify and hold the Manager harmless from and against and does hereby release the Manager from any and all claims, actions, damages, expenses (including reasonable attorneys' fees), losses or liabilities incurred by or asserted against the Manager arising out of or as a result of the use, operation, possession, control, maintenance, repair or storage of the Equipment, including, without limitation, claims for injury to or death of persons, loss of or damage to property (including the Equipment) and economic loss due to the unavailability for use of the Equipment; provided, however, that Owner shall not defend, indemnify or hold the Manager harmless from and against, and the Manager shall not be exculpated from, any claim, action, damage, expense, loss or liability directly or indirectly caused by or arising from negligence, bad faith, recklessness, or misconduct of the Manager.

8. Subordination. This Agreement and the Manager's authority and rights hereunder are subject to the lien upon, and security interest in, the Equipment and revenues generated by the Equipment held by the Lender to whom Owner has granted a security interest in the Equipment; provided, however, that all such liens and security interests are subject to any lease entered into during the term of this Agreement (including any rights of the lessees thereunder referred to in Section 9) and to the Manager's right to collect Gross Revenues accruing during the term of this Agreement until such time as sums due the Manager hereunder as of the later of the date of default under the terms of any security agreement or repossession of the Equipment pursuant to such security agreement are paid.

9. Dealings with Lessees.

(a) Unless the lessee of the Equipment shall be willing to pay rental to several lessors (and such lessee may decline, in its sole discretion, to pay rental to more than a single lessor), any purchaser, foreclosing mortgagee, donee or other transferee of any equipment subject to such lease (even though such equipment is not then managed under the Program shall, unless otherwise provided in the appropriate financing documents, until the expiration or termination of such lease acknowledge the Manager as such purchaser's, foreclosing mortgagee's, donee's or other transferee's agent for the purpose of receiving rentals under such lease (which rentals the Manager shall remit, forthwith upon receipt, without deduction or charge); provided, however, that any foreclosing mortgagee or transferee of such foreclosing mortgagee and the Manager may select a person or entity, other than the Manager, as agent of such foreclosing mortgagee or transferee of such foreclosing mortgagee for the purpose of receiving rentals under such lease.

(b) In the event that the Manager determines, in its sole discretion, that any purchaser, foreclosing mortgagee, donee or other transferee of any equipment which is subject to the leases referred to in Section 9(a) and which is not managed under the Program is not capable of performing the duties and obligations of a lessor under such leases in accordance with the terms thereof, then the Manager may require the transfer to the Manager of all the right, title and interest under such leases of such purchaser, foreclosing mortgagee, donee or transferee, without recourse, withdraw the equipment of such person from such leases and, if necessary, substitute thereunder equipment identical or substantially similar to the equipment so withdrawn.

10. Withdrawal in Case of Special Improvements. If any alterations, modifications, improvements or additions of the type referred to in Section 6(b) shall be required and Owner shall not have consented to the making thereof, this Agreement shall

be terminated and Owner shall be deemed to have withdrawn from participation in the Program with respect to the Equipment from and after the earlier of (i) the effective date of any law or regulation prohibiting, limiting or otherwise affecting the leasing, use, ownership, operation, or maintenance of equipment, such as the Equipment, which have not been so altered, modified, improved or added to, or (ii) the effective date specified by the Manager in a written notice to Owner advising Owner of the termination of the Agreement with respect to the Equipment. In the event of such termination and withdrawal, all costs associated with the Equipment (including maintenance and storage costs) will be the sole responsibility of Owner and Owner shall receive only Gross Revenues and Net Earnings directly and actually derived from or attributed to the Equipment.

11. Reports.

(a) Not later than 45 days after the end of each calendar quarter other than the fourth calendar quarter, the Manager on behalf of the Program will distribute to Owner an unaudited report showing, in reasonable detail, the Gross Revenues, Operating Expenses and Net Earnings of such quarter, including the computation and the allocation of any property taxes and the computation of Owner's pro rata share of any items. Such reports shall also show the amount of Net Earnings, if any, for such quarter distributed for the benefit of Owner pursuant to Section 6(a).

(b) Within 45 days after the close of each calendar year, the Manager on behalf of the Program will distribute to Owner a report showing for the fourth calendar quarter and such year (stated separately) the same information reported on the quarterly report distributed pursuant to Section 11(a).

12. Use of Equipment. The Manager shall use its best efforts to enforce the obligations of the lessees under the Leases covering the Equipment so that the Equipment will not be used predominantly outside the United States within the meaning of Section 48(a)(2)(A) of the Internal Revenue Code of 1954, as amended, or any successor provision thereof, and the regulations thereunder. The Manager in the leasing of Equipment and in the allocation of Equipment to various leases shall use its best efforts to cause each lease for the Equipment entered into, or arrangements for the use of the Equipment made, subsequent to the termination of any of the leases to contain provisions regarding the identity of the lessees or sublessees of the Equipment and the locations of use of the Equipment so as to avoid recapture of any allowable investment tax credit claimed with respect to the Equipment. This provision shall not, however, require the Manager to enter into any lease which restricts the location of the use of the Equipment on a fiscal year rather than a calendar year basis.

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

If to the Manager:

PLM Investment Management, Inc.
50 California Street
San Francisco, California 94111
Attention: Director of Operations

If to Owner: Newhannibal Corporation
c/o John Podgorny
20 Ironsides St., Unit 12
Marina del Rey, CA 90291

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

14. Miscellaneous.

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

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

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

(d) **Interpretations — Parol Evidence.** This Agreement constitutes the entire agreement among the parties hereto and supersedes and cancels all prior agreements, representations, warranties, or communications, whether oral or written, among the parties hereto relating to the transactions contemplated hereby or the subject matter herein. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only by an agreement in writing signed by the party against whom or which the enforcement of such change, waiver, discharge or termination is sought. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Agreement. Acceptance or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity for objection. Whenever a term defined by the California Commercial Code is used in this Agreement, the definition contained in the Code is to control.

(e) **Successors and Assigns.** The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto; provided, however, that no assignment hereof by Owner or transfer of any of the Owner's rights hereunder whether by operation of law or otherwise shall be valid and effective as against the Manager without the prior written consent of the Manager, which shall not be unreasonable withheld.

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

(g) **Other Customers of the Manager.** It is expressly understood and agreed that nothing herein contained shall be construed to prevent or prohibit the Manager from providing the same or similar services to any person or organization not a party

to this Agreement. In particular, the Manager shall be entitled to manage identical cars not managed under the Program under a similar management agreement with another owner.

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

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

15. Other Provisions. (See Page 10A attached.)

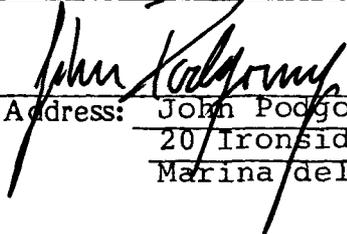
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on Sept. 8, 1983.

MANAGER
PLM INVESTMENT MANAGEMENT, INC.
("IMI")

By 

OWNER

NEWHANNIBAL CORPORATION

By 

Address: John Podgorny, President
20 Ironsides St., Unit 12
Marina del REY, CA 90291



CAT. NO. NN00737
TO 1945 CA (7-82)
(Corporation)



STATE OF CALIFORNIA }
COUNTY OF Los Angeles } SS.

On August 31, 1983 before me, the undersigned, a Notary Public in and for

said State, personally appeared John Podgorny
personally known to me proved to me on the basis
of satisfactory evidence to be the person who executed
the within instrument as the _____
President, and _____

_____ personally known to me or
proved to me on the basis of satisfactory evidence to be
the person who executed the within instrument as the
_____ Secretary of the Corporation
that executed the within instrument and acknowledged
to me that such corporation executed the within instru-
ment pursuant to its by-laws or a resolution of its
board of directors.

WITNESS my hand and official seal.

Signature *Catherine L. Sabatino*

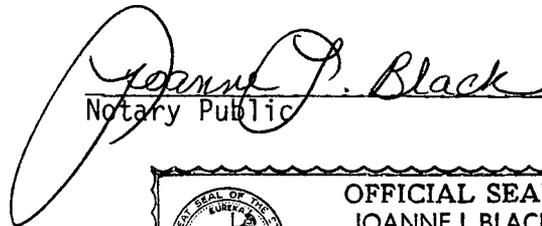
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(This area for official notarial seal)

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

On this 8th day of September, 1983, before me personally appeared Herbert D. Montgomery, (name of signer of foregoing instrument), to me personally known, who being by me duly sworn, says that he is the Vice President, Finance and Chief Executive Officer (title of office) of PLM INVESTMENT MANAGEMENT, INC., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed.


Notary Public

My commission expires

August 17, 1984



MANAGEMENT AGREEMENT (Continued)

15. Other Provisions.

(a) Under the terms of this Agreement, only the equipment shown in Exhibit A-1 shall be included in the Program managed by the Manager. New equipment may be added to the Program only with the prior written consent of the Owner.

(b) The Manager agrees to cooperate with the Owner in providing the Owner with information needed for federal and state income tax purposes.

(c) After the initial three year term of this Agreement, the Agreement shall be automatically renewed for consecutive one (1) year periods, however either party may terminate the Agreement by written notice of termination delivered to the other party sixty (60) days prior to the anniversary date of this Agreement.

(d) The Manager's annual compensation (as provided for in Section 5) shall never be less than \$20.00 multiplied by the number of months in a calendar year for which this Agreement is in effect and shall never be greater than 15% of net earnings for a calendar year in which this Agreement is in effect.

(e) If under Section 2(f) the Manager does not or can not obtain adequate insurance coverage, the Owner may terminate this Agreement effective the date all the leases of the equipment shown in Exhibit A-1 expire.

(f) The Manager will obtain the Owner's approval of any leases for the equipment shown in Exhibit A-1 for periods in excess of three (3) years.

EXHIBIT A-1

- (1) Railcars managed by PLM Investment Management, Inc. for Owner under Management Agreement:

<u>No. of Cars</u>	<u>Type of Cars</u>	<u>Reporting Mark</u>
One (1)	4650 cu.ft. capacity 100 ton covered hopper car	PLMX 7020