

EDMUND D. CAMPBELL *
 THOMAS SEARING JACKSON +
 JAQUELIN AMBLER MARSHALL
 H. DONALD KISTLER
 BENJAMIN W. DULANY *
 KENNETH WELLS PARKINSON
 DANIEL WEBSTER COON +
 THOMAS PENFIELD JACKSON +
 ARTHUR C. ELGIN, JR. +
 JAMES P. SCHALLER *
 ROGER V. BARTH +
 JAMES E. BRAMMER
 PATRICIA D. GURNE
 NICHOLAS STILLWELL MCCONNELL **
 ALAN R. SWENDIMAN +
 PATRICK L. WOODWARD +
 JAMES R. MICHAL
 CLIFFORD A. WILPON +
 DAWN V. WHITE +
 DAVID H. COX

* ALSO ADMITTED IN MARYLAND
 * ALSO ADMITTED IN VIRGINIA

LAW OFFICES
JACKSON, CAMPBELL & PARKINSON, P. C.
 ONE LAFAYETTE CENTRE
 SUITE 300 SOUTH
 1120 20TH STREET, N. W.
 WASHINGTON, D. C. 20036

MARYLAND OFFICE
 414 HUNGERFORD DRIVE
 ROCKVILLE, MARYLAND 20850
 (301) 340-0450
 VIRGINIA OFFICE
 2000 N. 16TH STREET
 ARLINGTON, VIRGINIA 22201
 (703) 522-1330

ROGER H. MUZZALL
 COUNSEL
 DIRECT DIAL NUMBER

12233/A

(202) 457-1600
 September 29, 1980

12233

RECORDATION NO. Filed 1425

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INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

No. 273A158

Ms. Agatha L. Mergenovich
 Secretary
 Interstate Commerce Commission
 Room 2215
 Washington, D.C. 20423

Date SEP 29 1980
 Fee \$ 60.00
 ICC Washington, D. C.

SEP 25 3 25 PM '80
 FEE COLLECTION BR.

Dear Ms. Mergenovich:

As special counsel for McDonnell Douglas Finance Corporation I have been requested to ask that you file the enclosed documents:

1. An Equipment Lease Agreement, dated as of September 22, 1980, by and between MDFC Equipment Leasing Corporation, a Delaware corporation, as lessor, and Hooker Chemical Properties Corporation, a California corporation, as lessee. This Equipment Lease Agreement effectuates the leasing of nine (9) parachloro BTF 18,000 gallon tank cars, bearing road numbers HOKX 8261-8269, inclusive, and twenty-five (25) 20,000 gallon acid tank cars, bearing road numbers HOKX 8270-8294, inclusive. The cars subject to the terms of this Agreement have been plainly marked in stencil on both sides with the words "Title To This Car Subject To Documents Recorded With The Interstate Commerce Commission."

The parties to the aforementioned Equipment Lease Agreement are:

McDonnell Douglas Finance Corporation
 100 Oceangate
 Suite 900
 Long Beach, California 90801
 Attention: President

Richard W. Bryan

Ms. Agatha L. Mergenovich
September 29, 1980
Page two

Hooker Chemical Properties Corporation
c/o Occidental Petroleum Corporation
10889 Wilshire Boulevard
Suite 1500
Los Angeles, California 90024
Attention: Assistant Director - Finance

2. Lease Addendum No. 1, dated as of September 22, 1980, by and between MDFC Equipment Leasing Corporation, as lessor, and Hooker Chemical Properties Corporation, as lessee, which effectuates an amendment to the aforementioned Equipment Lease Agreement. The cars subject to the terms of the Lease Addendum No. 1 are the same as those affected by the terms of the aforementioned Equipment Lease Agreement.

The parties to the aforementioned Lease Addendum No. 1 are:

McDonnell Douglas Finance Corporation
100 Oceangate
Suite 900
Long Beach, California 90801
Attention: President

Hooker Chemical Properties Corporation
c/o Occidental Petroleum Corporation
10889 Wilshire Boulevard
Suite 1500
Los Angeles, California 90024
Attention: Assistant Director - Finance

I am delivering a total of three (3) manually executed copies of both the Equipment Lease Agreement and Lease Addendum No. 1. I would appreciate it if you would have two (2) of each stamped as recorded by your office and returned to me.

Thank you for your assistance in this matter and I look forward to hearing from you at your earliest convenience.

Sincerely yours,

JACKSON, CAMPBELL & PARKINSON, P.C.

By: David H. Cox
David H. Cox

DHC/lg

Enclosures As Stated.

cc: Brian Siegel, Esquire

Interstate Commerce Commission
Washington, D.C. 20423

9/29/80

OFFICE OF THE SECRETARY

David H. Cox, Atty.
Jackson, Campbell & Parkinson, P.C.
One LaFayette Centre, Suite 300 South
1120 20th Street, N.W.
Washington, D.C. 20036

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/29/80 at 3:30pm, and assigned re-
recording number(s). 12233 & 12233-A

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

EQUIPMENT LEASE AGREEMENT

SEP 29 1980 - 3 00 PM

INTERSTATE COMMERCE COMMISSION
Equipment Lease No. 001

THIS LEASE, dated as of this 22^d day of September, 1980, by and between MDFC Equipment Leasing Corporation, a Delaware Corporation, (hereinafter called "Lessor") and Hooker Chemical Properties Corporation, a California corporation (hereinafter called "Lessee"):

W I T N E S S E T H:

1. LEASE - Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to hire from Lessor, the unit or units of railroad cars, including any linings installed therein prior to acceptance thereof by Lessee (hereinafter collectively called "equipment" and individually called an "item" of or "unit" equipment) described in the Individual Equipment Record (hereinafter called "IER") to be attached hereto as Exhibit "A" and made a part hereof, and any subsequent IER's which may hereafter be made a part hereof as same are executed from time to time by the parties hereto.
2. TERM - The original term of the lease for each unit of the equipment shall commence on the date on which Lessee accepts delivery and, except as otherwise provided herein, shall expire on and including December 31, 1997. Such dates shall be shown on the applicable IER. The word "term" as used herein shall refer to and include any extensions of the original term.
3. RENT - Lessee shall pay Lessor rent as stipulated in the IER, without deduction or offset, in the amounts and at the

times set forth in the IER. In the event Lessee shall be in default in the payment of any sum of money to be paid under this lease agreement, the Lessee shall pay Lessor, as additional rental, to the extent permitted by applicable law, interest on unpaid rent from its due date (without regard to any grace period) to date of payment at Prime (as defined in Section 17) or such lesser amount as may represent the maximum rate permitted by applicable law. Rent shall be payable in lawful currency of the United States of America to Lessor at 100 Oceangate (9th Floor), Long Beach, California, 90802, or its assigns (or at such other place as Lessor may from time to time designate in writing).

4. TAXES AGAINST LESSOR OR EQUIPMENT -

(a) Lessee agrees to pay and to indemnify and hold Lessor harmless from, all license and registration fees and sales, use, personal property, stamp or other similar taxes, levies, imposts, duties, charges or withholdings of any nature whatsoever together with any penalties, fines or interest thereon (collectively, "taxes, fees or other charges") imposed against Lessor, Lessee or the equipment or any part thereof by any Federal, state or local government or taxing authority, during the term or in connection with the termination of this lease, upon or with respect to the equipment or any part thereof or upon the purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this lease (excluding, however, (i) any taxes imposed by the Federal government on,

based on, or measured by, the net income or excess profits of the Lessor, (ii) any income or franchise taxes imposed by any taxing authority other than the Federal government on, based on, or measured by, the net income of the Lessor, provided that taxes, fees and other charges of any foreign country or subdivision thereof incurred as a result of the Lessor being taxed by such foreign country or subdivision on its world-wide income without regard to the transactions contemplated by this Lease shall be excluded in all cases, whether or not the Lessor is entitled to a credit against its United States Federal income taxes; (iii) any taxes, fees and other charges imposed as a direct result of a voluntary transfer or other voluntary disposition by the Lessor of any interest in any unit or interest in rentals under this Lease; (iv) penalties, fines and additional interest resulting only from and payable only because of the negligent acts or omissions to act by the Lessor, (v) any taxes, fees or other charges which are in substitution for the taxes, fees or other charges set forth in clauses (i) and (ii) of this Section 4(a); and (vi) taxes, fees or charges included in the Lessor's cost of an item of equipment); unless, and to the extent only that, any such tax, levy, impost, duty, charge or withholding is being contested by Lessee in good faith, by appropriate proceedings, and such proceedings preclude the imminent risk of confiscation, loss or forfeiture of any of the equipment.

(b) Lessee shall prepare and file all tax returns or reports that may be required with respect to the equipment. Lessee is hereby authorized by Lessor to act for and on behalf

of Lessor in any and all such respects including, but not limited to, the contest or protest in good faith, of the validity or the amount thereof, provided that any such proceeding shall stay the collection thereof from Lessor, Lessee and the equipment. Lessee is also authorized on its own behalf to contest or protest in good faith, the validity or the amount of any such licenses, assessments or taxes which are assessed or billed directly to Lessee, provided that any such proceeding shall stay the collection thereof from Lessor, Lessee and the equipment.

Lessee shall to the extent practicable cause all billings of such fees, assessments and taxes of Lessor to be made to Lessor in care of Lessee and shall from time to time on request of Lessor, submit written evidence of the payment of all such fees, assessments and taxes. Lessor shall furnish Lessee copies of any request for information from any taxing official relating to any of the foregoing and shall request any such official to contact Lessee regarding any such information.

(c) All of the obligations of Lessee under this Section 4 with respect to any taxes, fees, or other charges (together with any penalties, fines or interest thereon) imposed or accrued before the expiration or other termination of this lease shall continue in full force and effect notwithstanding such expiration or other termination and are expressly made for the benefit of, and shall be enforceable by, Lessor.

(d) If the Lessor shall obtain a refund of all or any part of such taxes previously reimbursed by the Lessee in connection with any contest instituted pursuant to subsection

(b) hereof or an amount representing interest thereon, the Lessor shall pay the Lessee the amount of such refund or interest, net of reasonable out-of-pocket expenses.

(e) Lessor and Lessee covenant and agree that Lessor shall have the sole right to utilize and to claim depreciation deductions on the equipment in the computation of Federal, state and local tax returns and reports for any year during the term of this lease and the Lessee shall not utilize or claim or attempt to utilize or claim said depreciation deductions for any tax purposes whatsoever.

5. LESSEE'S FAILURE TO PAY TAXES, INSURANCE, ETC. - Should Lessee fail to make any or do any act as herein provided which would materially adversely affect Lessor's title and interest in the equipment, then Lessor shall have the right, but not the obligation, with notice to, but without demand upon, Lessee, and without releasing Lessee from any obligation hereunder, to make or do the same, and where necessary to protect such title and interest to pay, purchase, contest or compromise any encumbrance, charge or lien which in Lessor's good faith judgment would materially adversely affect Lessor's title and interest in and to the equipment, and in exercising any such rights, incur any reasonable liability and expend whatever reasonable amounts in its good faith judgment it may deem necessary therefor. All sums so incurred or expended by Lessor shall be upon written notice immediately due and payable by Lessee and shall bear interest at the lower of Prime or the maximum legal rate permitted by applicable law.

6. USE - Lessee shall use, operate, maintain and store the

equipment in a careful and proper manner and shall in all material respects comply with all laws, ordinances and regulations in any way relating to the possession, use, operation or maintenance of the equipment. Lessee warrants and agrees that the equipment will at all times be used and operated under and in compliance in all material respects with the laws of the jurisdictions in which the equipment may be located and operated, the Interchange Rules of the Association of American Railroads, if applicable, and materially in compliance with all applicable, laws, ordinances, rules, regulations, requirements and orders of any judicial, legislative or regulatory body having power to regulate or supervise the use of the equipment including, but not limited to, the rules and regulations of the United States Department of Transportation and the Interstate Commerce Commission and the current Interchange Rules, or supplements thereto, of the Mechanical Division, Association of American Railroads. Lessee shall not permit any liens, charges or encumbrances to be placed on or levied against the equipment other than liens, charges or encumbrances placed thereon by Lessor, or statutory liens, encumbrances or charges of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or being contested in good faith (provided such proceedings preclude imminent risk of confiscation, loss or forfeiture of any of the equipment), or subleases of the equipment granted to others in the ordinary course of business as expressly permitted hereunder. Lessee agrees to procure and maintain in effect all licenses,

certificates, permits and other approvals and consents required by federal, state, county, municipal or foreign laws and regulations in connection with the possession, use, operation and maintenance of the equipment. Except as otherwise provided or permitted herein, Lessee shall not transfer possession of the equipment in any manner whatsoever without Lessor's prior written consent. Upon request by Lessor, Lessee shall give Lessor written notice of exact location of the equipment.

7. IDENTIFICATION MARKS - Lessee, at Lessee's expense, shall cause each unit of equipment to be kept numbered with its road number as set forth in the IER with respect thereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each unit of equipment in letters not less than one inch in height as follows:

"Title to this car is subject to documents
recorded with the Interstate Commerce Commission"

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor to such unit of equipment, its rights under this lease and the rights of any assignee of Lessor hereof. The Lessee will not place any such unit of equipment in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace or cause to be replaced promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the road number of any unit of equipment except with the consent of the Lessor and

in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been filed with the Lessor by the Lessee and filed, recorded or deposited by the Lessor in all public offices where this lease shall have been filed, recorded or deposited, as designated by Lessor.

Except as above provided, Lessee will not allow the name of any person, association or corporation to be placed on the equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the equipment to be lettered with the names or initials or other insignia customarily used by Lessee or any sublessee on railroad equipment used by them of the same or a similar type for convenience of identification. Lessee shall indemnify Lessor, and any assignee of Lessor hereof against any liability, loss or expense incurred by any of them as a result of the aforesaid marking of the equipment with such name, initials or insignia.

8. ALTERATIONS - Lessee shall make all alterations, additions or improvements to the equipment which are required under any applicable law, regulation or rule, or in order to comply with the maintenance provisions of Section 9 hereof. The Lessee may make any other alterations, additions or improvements to the equipment, upon giving the Lessor at least 15 days prior written notice to Lessor, so long as such they do not diminish the value of the equipment. All alterations, additions or improvements required for compliance with governmental laws and regulations, or which are not readily removable without causing

damage to a unit of equipment, shall (i) become the property of Lessor at the conclusion of the Lease term, (ii) shall be free of all encumbrances and claims. Lessee shall deliver to Lessor a Bill of Sale with respect to all such alterations, additions and improvements. Title to readily removable additions or improvements which are not required for compliance with any law, regulation or rule shall remain with the Lessee, provided no Event of Default has occurred and Lessee shall have removed the same prior to return of the equipment to Lessor. The equipment shall remain personal property regardless of whether it becomes affixed or attached to real property or permanently rests upon any real property or any improvement thereon.

9. MAINTENANCE AND REPAIR - Lessee, at its sole cost and expense shall (i) keep, or cause to be kept, the equipment in good operating order, repair, condition and appearance, ordinary wear and tear excepted, and shall furnish or cause to be furnished any and all parts, mechanisms or devices required to keep the equipment in good mechanical and working order; (ii) maintain or cause to be maintained the equipment in a careful and proper manner and in compliance in all material respects with all applicable laws, ordinances, rules, requirements and regulations including, without limitation, the rules of the United States Department of Transportation and the Interstate Commerce Commission and the current Interchange Rules, or supplements thereto, of the Mechanical Division, Association of American Railroads and all manufacturer's instructions and warranty requirements; and (iii) pay or cause to be paid for all fuel, service, inspections, overhauls,

replacements, substitutions, materials and labor necessary or desirable for the proper use, repair, operation and maintenance of the equipment.

Between January 1, 1989 and December 31, 1992, Lessee shall cause the linings of all the lined equipment to be inspected to determine the integrity of the lining and shall, with the annual report for the year(s) in which inspections were made, provide a certificate concerning the findings of such inspection, and if as the result of such inspection it was determined that the condition of the lining was in need of repair for the purposes for which the unit was being used, that repairs to the lining had been made or had been scheduled to be made promptly.

10. DELIVERY, INSPECTION AND ACCEPTANCE

(a) Prior to accepting delivery, Lessee shall have made all necessary inspections and tests of the equipment at Lessee's sole expense, to determine whether the equipment conforms to the specifications selected by Lessee and shall have been furnished with proof by Lessor which is satisfactory to Lessee of the filings contemplated under Section 29 hereof. If the equipment is found to be acceptable by Lessee, Lessee shall accept delivery of such equipment and execute and deliver to Lessor an IER stating that such equipment has been inspected and accepted by Lessee on the date of such IER and is marked in accordance with Section 7 hereof, whereupon such equipment shall be deemed to have been delivered and accepted by Lessee and shall be subject thereafter to all the terms and conditions of the Lease.

(b) Lessee shall advise Lessor in writing of any defect or objection to the type or condition of the equipment of which it is aware. Lessee's failure to advise Lessor of any defect or objection with respect to any item of equipment shall not establish the absence of any such defect in any equipment insofar as the manufacturer or supplier thereof is concerned. As between Lessor and Lessee, upon execution of the IER by Lessee, the equipment shall be deemed to conform to Lessee's specifications, shall be deemed to conform to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all applicable interchange requirements of the Associations of American Railroads and shall be deemed to be in good condition and without defects.

(c) Lessee shall indemnify, exonerate and save harmless Lessor from all claims, damages, actions, expenses (including reasonable attorneys' fees), and liabilities of any kind arising out of or connected with the failure or refusal of Lessee to accept, or the delay of Lessee in accepting the equipment except as a result of acts or omissions of Lessor.

11. INSPECTION; LESSEE REPORTS -

(a) Lessee shall permit Lessor to inspect and examine the equipment when it is located at premises under Lessee's or any permitted sublessees control upon Lessor's written request, for the purpose of inspecting and examining the equipment, its condition, use, and operation to ensure compliance by Lessee with its obligations under this Lease. Notwithstanding the foregoing, Lessor shall have no duty to inspect or examine and

shall not incur any liability or obligation by reason of not making any such inspection or examination.

(b) To the extent a responsible officer of Lessee becomes aware of such, Lessee shall notify Lessor in writing thirty (30) days after any attachment, tax lien or other judicial process shall attach to any item of equipment.

(c) On or before April 30 in each year, commencing with the calendar year 1981, the Lessee will furnish to the Lessor an accurate statement (i) setting forth as at the preceding December 31 the total number, description and identification numbers of all units then leased hereunder, the total number, description and identification numbers of all units that have suffered an Event of Loss during the preceding calendar year or then withdrawn from use pending repair (other than running repairs), and setting forth such other information regarding the condition and state of repair of the units as the Lessor may reasonably request and (ii) stating that, in the case of all units repainted or repaired during the period covered by such statement, the numbers and markings required by Section 7 hereof have been preserved or replaced. The Lessor shall have the right, by its agent, to inspect the units and the Lessee's maintenance records with respect thereto at such reasonable times as the Lessor may request during the continuance of this Lease.

(d) Lessee shall cause Occidental Petroleum Corporation ("Guarantor"), within 120 days after the close of Guarantor's fiscal year, to furnish to Lessor copies of Guarantor's year-end financial reports (including balance sheet and profit

and loss statements), certified to by a recognized firm of certified public accountants.

12. DISCLAIMERS - LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSOR BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT TO THIS LEASE HAS NOT MADE AND DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO TITLE, DESIGN, COMPLIANCE WITH SPECIFICATIONS, CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR AS TO ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT.

Lessee hereby waives any claim it might have against Lessor for any loss, damage or expense caused by the equipment or by any defect therein, use or maintenance thereof or servicing or adjustment thereto except if caused by Lessor's negligence. So long as Lessee is not in default of its obligations, Lessor hereby assigns to Lessee to the extent assignable, all manufacturer or dealer warranties, whether express or implied, pertaining to the equipment. All claims or actions on any warranty which can be so assigned shall be made or prosecuted by Lessee, at its sole expense and Lessor shall have no obligation whatsoever to make any claim on such warranty. If any such manufacturer's or dealer's warranties are not capable of being assigned, then Lessor agrees to assert any claim, as promptly as reasonably possible and on behalf of and as directed by Lessee, which is not assignable and to which Lessee

has given Lessor prior written notice thereof; which notice shall include all information which Lessor reasonably deems necessary to proceed. Lessee agrees to indemnify, hold harmless and reimburse Lessor for any and all claims, liabilities asserted against and expenses incurred by Lessor in connection with the assertion of any such claim in the manner specified by Lessee. Lessor further authorizes Lessee to obtain whatever service to the equipment the manufacturer customarily renders, provided that no such service be at the expense of the Lessor. Lessor agrees to indemnify, hold harmless and reimburse Lessee for any and all injuries, damages, including costs and expenses incurred by Lessee as a result of the failure of Lessor to cooperate with Lessee as above provided.

13. INSURANCE -

(a) The Lessee will, at all times prior to the return of the units to the Lessor at its own expense, cause to be carried and maintained (i) property insurance with respect to the units in an amount which shall be no less than the Stipulated Loss Value of the equipment; provided, however, that the Lessee may self-insure such units to the extent the Guarantor self-insures equipment similar to the units and to the extent such self-insurance is consistent with prudent industry practice, and (ii) public liability insurance with respect to third party personal and property damage, and the Lessee will continue to carry such insurance with such deductibles, in such amounts and for such risks, as is consistent with prudent industry practice, but in any event with no greater deductibles and at

least comparable in amounts and against risks customarily insured against by the Lessee in respect of equipment owned or leased by it similar in nature to the units, in each case reasonably satisfactory to the Lessor.

(b) For purposes of this Lease, the term "Stipulated Loss Value" for a unit of equipment as of any date of computation shall be that percentage of equipment cost for such unit of equipment set forth in the IER opposite the regular rental payment last received by Lessor for such unit of equipment.

(c) Said insurance shall be primary in nature, and shall not require any contribution from any excess insurance applicable to the equipment carried by Lessor. Except as otherwise provided in any IER, all such insurance shall name Lessor as an additional insured as its interest may appear. Said policies shall provide that they may not be materially changed or canceled by the insurer without at least thirty (30) days prior written notice to Lessor. Losses shall be paid to Lessor and its assignee, if any, and to Lessee, as their interests appear. Said insurance shall contain such endorsements as may be reasonably requested by Lessor. Lessee's obligation to keep the equipment insured as provided herein shall continue until said equipment is returned to Lessor in accordance with the provisions of Section 16 hereof.

(d) Lessee shall furnish Lessor with copies of all certificates of insurance applicable to the equipment as soon as they become available to Lessee.

(e) Any insurance proceeds (less expenses of collection) as the result of insurance carried by Lessee or condemnation or

similar payments received by Lessor as to any item of equipment suffering an Event of Loss shall be deducted from the amounts payable by Lessee to Lessor in respect of an Event of Loss, if such amounts are received by the Lessor on or before the date when such amounts are due. If Lessor shall receive any such proceeds or payments after Lessee shall have made the payment to Lessor required pursuant to Section 14, Lessor shall, provided no Event of Default, or event which with lapse of time or notice would constitute an Event of Default, has occurred and is continuing, promptly remit such proceeds or payments to Lessee.

14. RISK, EVENT OF LOSS, CONDEMNATION -

(a) Risk: Commencing at the time such risks pass to Lessor from the vendor of the equipment and continuing until the termination of this lease and the return by Lessee of the equipment to Lessor in accordance with the provisions hereof, Lessee assumes the entire risk of any Event of Loss as defined below, and no such Event of Loss shall relieve Lessee of its obligations hereunder.

(b) Definition - Event of Loss: For purpose of this Section, an Event of Loss with respect to any unit of equipment shall mean any of the following events during the term of this Lease with respect to such equipment: (i) the actual or constructive total loss of such equipment; (ii) such equipment shall become lost, stolen, destroyed, damaged beyond economic repair as determined by Lessee or permanently rendered unfit for intended use for any reason whatsoever; or (iii) the condemnation, confiscation or seizure of, or requisition of

title to or use of such equipment for a duration extending to or beyond the term of this Lease.

(c) Deprivation Constituting An Event Of Loss: Upon the occurrence of an Event of Loss, Lessee shall pay or cause to be paid upon written demand within thirty (30) days of such Event of Loss in lawful currency of the United States of America: (i) The Stipulated Loss Value computed as of the date of such Event of Loss, (ii) interest on the unpaid balance of said amount at Prime or such lesser rate as may be permitted by applicable law from the date of such Event of Loss to the date of receipt, and (iii) all other unpaid amounts due hereunder (including accrued rent, prorated on a daily basis). At such time as Lessor has received the sum of (i), (ii), and (iii) above, the obligation of Lessee to pay rent hereunder with respect to such unit of equipment shall terminate and Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title and interest, if any, in and to the equipment with respect to which such Event of Loss occurred.

(d) Deprivation Not Constituting An Event Of Loss: In the event of damage of any unit of equipment not constituting an Event of Loss, Lessee shall remain obligated to make all payments of rent for such equipment which may become due hereunder in the same manner as if such damage had not occurred. Lessee shall repair and restore or cause to be repaired and restored such equipment to the condition it was in immediately prior to the occurrence which gave rise to such payment. So long as no Event of Default shall have occurred and be continuing, all payments from insurance proceeds or

otherwise with respect to any such damage shall be paid over to Lessee directly by the insurer, if any. Should an Event of Default have occurred and be continuing, all such payments shall be paid over to and retained by Lessor to the extent of Lessee's liabilities hereunder.

(e) Application of Payments: Upon the occurrence of any Event of Loss, Lessor shall be entitled to and shall receive the entire award, judgment, settlement, insurance proceeds or payments and all installments thereof. To the extent of Lessee's obligations under 14(c) hereof, Lessee hereby assigns to Lessor any right or interest Lessee may have or may hereafter acquire in any such award or payment to the extent of such obligations.

15. INDEMNITY - Lessee agrees to defend at its own cost and to indemnify and hold harmless Lessor, its agents and employees, from and against any and all loss, claims, patent infringements, costs, expenses, damage and liabilities (including reasonable attorneys' fees), however caused, resulting directly or indirectly in any manner from the issuance of Lessor's purchase order, if any, assignment of Lessee's purchase order, if any, ownership, purchase, delivery to Lessee, lease to Lessee, possession of Lessee, return to Lessor, or pertaining to the use, condition (including without limitation latent or other defects whether or not discoverable) or operation of the equipment or the performance of this lease (including without limitation such loss, claims, costs, expenses, damages and liabilities arising from the death or injury to agents or employees of Lessee or Lessor or any third

person, or damage to the property of Lessee or Lessor, their agents or employees, or any third person, firm or corporation) except for such damages, losses, expenses or liabilities arising out of the willful acts of Lessor, the failure of Lessor to perform its obligations hereunder or the negligence of Lessor, its agent or employees. This indemnification shall survive the expiration or other termination of this lease for the benefit of and enforceable by the Lessor. In the event the Lessee is required to make any payment under this Section 15, the Lessee shall pay Lessor an amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Lessor), shall be equal to the amount of such payment. The Lessee and the Lessor each agrees to give each other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this Section 15 by the Lessee, and provided that no Event of Default (or other event which with lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, the Lessee shall be subrogated to any right of Lessor in respect of the matter against which indemnity has been given. Any payments received by Lessor from any person (except the Lessee) as a result of any matter with

respect to which Lessor has been indemnified by the Lessee pursuant to this Section 15 shall be paid over to the Lessee after the Lessor has been paid in full pursuant to this Section 15, to the extent necessary to reimburse the Lessee for indemnification payments previously made. Nothing in this Section 15 shall constitute a guaranty by the Lessee of the residual value of any unit.

16. RETURN OF EQUIPMENT - Upon the expiration or earlier termination of this Lease with respect to any unit of equipment, Lessee, at its expense, shall deliver each unit of equipment to Lessor or its designee, or to a subsequent lessee, to a storage or terminal facility within the Continental United States designated by Lessor at least 30 days prior to such expiration or termination; provided, however, such facility shall be within a 10 mile radius of Lessee's plants at Montague, Michigan, or Niagara, New York. At the time of delivery, each item of equipment shall be empty and free from residue. The equipment shall be in the good operating order and condition as when delivered to Lessee hereunder, normal wear and tear excepted; provided, however, the equipment shall be in a condition and repair which complies with the Interchange Rules of the Association of American Railroads. At the time of the return of the equipment, an independent, recognized entity selected by Lessor, which in the course of its business inspects personal property similar to that which is the subject of this Lease, shall inspect and examine the equipment for the purpose of determining if it is the condition required under this Section 16 at the time of return. The fees

and expenses of said entity shall be paid by Lessor only. Lessee shall be responsible for effectuating all repairs, additions or replacements recommended by said entity as being necessary to place the equipment into the condition required under this Section 16 at the time of return. Lessee shall be liable to Lessor for rust and corrosion only to the extent that said rust or corrosion would not have occurred if the linings contained in the equipment had been properly maintained. Lessee shall pay rent to Lessor on a prorata daily basis at the then current rental rate until the repairs, additions or replacements recommended by such entity are completed with respect to the units which require such work. If requested by Lessor, Lessee shall provide Lessor with free storage of the equipment, upon suitable storage tracks, for up to 90 days. All movement and storage of each such unit of equipment during such storage period is to be at the risk and expense of the Lessee. During any storage period, Lessee will, upon at least 10 days prior written notice, permit or arrange permission for Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such unit of equipment, to inspect the same. If any unit of equipment is not redelivered to Lessor or not delivered to Lessor on or before the date on which the term ends, Lessee shall pay rental for each day that such unit of equipment is not delivered as required herein or until such unit of equipment is in the condition required hereunder, at the then current rental rate required under this Lease, prorated on a daily basis. Lessee shall pay Lessor on or before the last day

of each month any amounts which Lessee is obligated to pay to Lessor under this Section. In addition to any other indemnity provided herein and any payments to be made to Lessor hereunder, Lessee also indemnifies and holds Lessor harmless from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, including those asserted by a subsequent lessee, arising out of or as a result of such late delivery or failure to deliver in the condition required, except arising out of Lessor's negligence or Lessor's failure to provide instructions as specified herein.

If the Lessor fails to take redelivery and possession of the units and remove the units from Lessee's property by the end of the free storage period set forth in this Section 16, Lessor shall pay rent to Lessee on a prorata daily basis at the then current rental rate in effect at the expiration of this lease, plus all out of pocket costs and expenses incurred by Lessee with respect to such units of equipment. All movement and storage of the equipment during such period shall be at the expense and risk of Lessor.

17. DEFAULTS, REMEDIES, DAMAGES

(a) **DEFAULTS:** The following events shall constitute Events of Default

(1) Lessee shall fail to make any payment to Lessor when due under this lease and such failure to pay shall continue for a period of ten (10) or more days after notice thereof from Lessor; or

(2) Lessee shall fail to perform or observe any other covenant, condition, or agreement to be performed or observed

by it hereunder and such failure shall continue unremedied for a period of thirty (30) days after written notice thereof by Lessor, or if such failure cannot reasonably be cured in such 30 day period despite diligent efforts on the part of Lessee, then within such time as is reasonable to cure such failure; or

(3) Any representation or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith shall prove to be incorrect at the time when made in any material respect; or

(4) Lessee shall become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver; or a trustee or a receiver shall be appointed for Lessee for a substantial part of its property without its consent and shall not be dismissed within a period of sixty (60) days; or bankruptcy, reorganization, or insolvency proceedings shall be instituted by or against Lessee, and shall not be dismissed within a period of sixty (60) days.

(b) REMEDIES: Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor, at its option, may do one or more of the following with respect to any or all equipment.

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

(2) Repossess with or without notice and sue for the rentals due hereunder as they accrue without notice and at

Lessee's costs and expenses;

(3) Repossess and without terminating the lease hold the equipment until the Lessee shall have complied with all obligations under the lease;

(4) Repossess with or without notice and sell, relet, use, hold or otherwise dispose of the equipment;

(5) Without repossessing, declare all unpaid rentals immediately due and payable;

(6) Repossess and terminate the lease.

(c) DAMAGES: Lessor and Lessee agree that the measure of damages is impossible to determine in the absence of prior agreement. Therefore, the parties agree that as damages for the loss of a bargain and not as a penalty in the case or sale of reletting after repossession Lessor shall be entitled to:

(i) Sale: Where a sale has occurred, the excess of the Stipulated Loss Value at the time of sale over the Net Proceeds of Sale. Where a sale has not yet occurred, the excess of the Stipulated Loss Value at the time of determination over the Fair Market Sales Value.

(ii) RELETTING: Where a reletting has occurred, the excess of (x) the greater of (a) the Stipulated Loss Value at reletting, or (b) the aggregate unpaid lease rentals discounted at Prime, over (y) the aggregate rentals due under the reletting discounted at Prime. Where a reletting has not yet occurred, the excess of (x) the greater of (a) the Stipulated Loss Value at time of determination, or (b) aggregate unpaid lease rentals discounted at Prime, over (y) the Aggregate Fair Market Rental Value discounted at Prime.

(iii) In addition to that set out in (i) and (ii), Lessor shall be entitled to: (a) the unpaid rent from default until sale, reletting, or determination of damages, and (b) interest on all amounts due including rent and damages from the date of default until payment at the lower of Prime or the maximum rate permitted by applicable law.

For purposes of this Section the following definitions apply:

(1) DISCOUNTED: Reduction to present value as of the date of sale, reletting or determination of damages, whichever is applicable, at the stated interest rate and at a frequency equal to the frequency of rental payments under this lease.

(2) AGGREGATE FAIR MARKET RENTAL OR AGGREGATE FAIR MARKET SALES VALUE: A value determined by a recognized, independent appraiser(s), chosen in the manner set forth in Section 24 hereof.

(3) NET PROCEEDS OF SALE: The gross consideration received by Lessor, less all expenses associated directly or indirectly with sale including but not limited to refurbishing, repair, advertising, freight.

(4) PRIME: Best rate then charged by The Chase Manhattan Bank of New York for 90-day loans to substantial commercial borrowers.

(d) Each and every power and remedy herein specifically given to Lessor shall be in addition to every other power and remedy specifically so given or now or hereafter existing at law or in equity, and each and every

power or remedy may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by Lessor. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of Lessor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. In the event that Lessor shall bring any suit or action to enforce any of its rights hereunder, then in such suit or action Lessor may recover reasonable expenses, including attorneys' fees, and the amount thereof shall be included in such judgment. Lessee hereby appoints Lessor as Lessee's irrevocable agent and attorney-in-fact to execute all documents deemed necessary to release, terminate and void Lessee's interest in any equipment leased hereunder and to file said documents for recordation with appropriate agencies provided that an Event of Default has occurred and Lessor in its discretion deems use of this agency necessary to effect any remedy Lessor chooses to take. Any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. In the event that Lessor shall bring any suit or action to enforce any of its rights hereunder, then in such suit or action Lessor may recover reasonable expenses, including attorneys' fees, and the amount thereof shall be included in such judgment.

18. ASSIGNMENT BY LESSOR - So long as Lessor is not in breach or default of any of its obligations hereunder, Lessor on prior written notice to Lessee may assign, pledge or in any other way transfer its rights in and to this Lease either in whole or in part to an affiliate or a financial institution, and Lessee shall execute such acknowledgements thereto as may reasonably be required by Lessor. No other assignments, pledges or transfers of this lease or any interest therein may be made by Lessor without Lessee's prior written consent.

19. OWNERSHIP BY LESSOR - The equipment is and shall at all times remain the sole and exclusive property of Lessor. The only interest Lessee shall have in the equipment is that of a Lessee hereunder.

20. PROHIBITION AGAINST SETOFF, COUNTERCLAIM, ETC. - Lessee's obligation to pay all amounts due hereunder shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation (i) any setoff, counterclaim, defense, or other right which Lessee may have against Lessor under any other agreement, (ii) any defect in the condition, design, operation or fitness for use of, or any damage to or loss or destruction of, the equipment, or any interruption or cessation in the use of possession thereof by Lessee for any reason whatsoever, or (iii) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee.

Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or

otherwise, to terminate, cancel, quit or surrender this lease. Each rent payment made by Lessee shall be final and Lessee will not seek to recover all or any part of such payment from Lessor for any reason whatsoever.

21. REPRESENTATION, WARRANTIES AND COVENANTS OF LESSEE - Lessee covenants, represents and warrants: (i) at the time Lessor becomes owner of the equipment, the equipment will be new and unused and not have been placed in service by Lessee; (ii) that it is a duly organized corporation with necessary power and qualifications to perform this lease and any exhibits thereto; (iii) that this lease and the Purchase Order Agreement dated as of the date hereof between Lessor, Lessee and the manufacturer of the equipment (the "Purchase Order Agreement"), has been duly authorized by all necessary corporate action of Lessee and will not contravene or breach any law, rule or regulation binding upon Lessee; (iv) that assuming due authorization, execution and delivery by the Lessor of this Lease between Lessor and Lessee, this Lease constitutes a binding obligation enforceable in accordance with its respective terms, except to the extent the bankruptcy laws of the United States or similar State laws otherwise provide or permit; (v) that there are no suits or proceedings pending or threatened (to the knowledge of Lessee) which are likely to have a material adverse effect on Lessee's financial condition or business; and (vi) that at the time when Lessor becomes owner of the equipment, no mortgage, deed of trust, charter, lien or other security interest of any type (other than the lien created by this Lease) will be attached to the equipment

by reason of any act or omission of Lessee;

22. ATTORNEYS' FEES - In the event of any action at law or suit in equity in relation to this lease, Lessee, in addition to all other sums which Lessee may be called upon to pay, will pay to Lessor its reasonable attorneys' fees.

23. ASSIGNMENT, POSSESSION AND USE BY LESSEE -

(a) Without the prior written consent of the Lessor, the Lessee shall not assign or transfer its leasehold interest under this Lease in the units or any of them except as provided in this Section 23, and the Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the units, except to the extent permitted by the provisions of this Section 23. The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, would become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Lessor resulting from claims against the Lessor not related to the ownership of the units, other than any encumbrance on the leasehold estate of the Lessee or other than liens for taxes, assessments or governmental charges or levies, either not due and delinquent or being contested or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, either not delinquent or which shall have been bonded or the enforcement of which shall have been suspended (but only for the duration of such suspension)) upon or with respect to any unit, including any accession

thereto, or the interest of the Lessor or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises.

(b) So long as no Event of Default exists hereunder, the Lessee shall be entitled to the quiet enjoyment, possession and use of the units by it or any affiliate (including, without limitation, any direct or indirect domestic subsidiary of Occidental Petroleum Corporation) and such quiet enjoyment, possession or use shall not be disturbed by reason of Lessor's acts or any person claiming through Lessor, upon lines of railroad owned or operated by it or any such affiliate or upon lines of railroad over which the Lessee or any such affiliate has trackage or other operating rights, or over which railroad equipment of the Lessee or any such affiliate is regularly operated pursuant to contract, and Lessee shall be entitled to permit the use of the units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements and to assign its rights to the units or to sublease the units to any such affiliate (or, with prior written notice to the Lessor, to any other solvent corporation in the United States for non-consecutive periods of one year or less, but in no event extending beyond the term of this Lease), but only upon and subject to all of the terms and conditions of this Lease; provided, however, that the Lessee shall not assign, sublease or permit the assignment, sublease or use of any unit predominantly outside the United States of America within the meaning of Section 48(a) of the Internal Revenue Code of 1954, as amended to the date hereof, nor shall the Lessee assign or

sublease to, or permit the sublease or use of the units by any person in whose hands such units would not qualify as "section 38 property" within the meaning of said Code. Provided no Event of Default has occurred and is continuing, the Lessee may receive and retain compensation for the use of any of the units from others so using such units. Any sublease permitted by this paragraph may provide that the sublessee, so long as it shall not be in default under such sublease, shall be (i) entitled to the possession of the units included in such sublease and (ii) (except for trip leases as specified below), subject and subordinate to the rights and remedies of the Lessor under this Lease in respect of the units covered by such sublease upon the occurrence of an Event of Default hereunder.

(c) Nothing in this Section 23 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the units or possession of the units to any corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have duly assumed the obligations of the Lessee hereunder) into or with which the Lessee shall have become merged or consolidated, or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that (i) such assignee and transferee shall not, upon the effectiveness of such merger, consolidation or acquisition, be in default under any provision of this Lease, and (iii) Guarantor shall reaffirm its guarantee to Lessor with respect to such assignee or transferee.

(d) Without Lessor's consent, Lessee or its permitted

sublessees shall be permitted to furnish any unit for single trips to its customers or suppliers in accordance with the provisions of the demurrage tariffs lawfully in effect at such time.

24. Renewal Option. Upon written notice to Lessor on or prior to July 1, 1996, and provided no Event of Default, or event which, but for the lapse of time or the giving of notice or both, would be an Event of Default, shall have occurred and be continuing, Lessee shall have at the end of the original term of this Lease a solitary option to renew this Lease with respect to any or all of the units for a term of not less than five nor more than seven years (as specified by Lessee) from the end of the original term for a rental equal to the Fair Market Rental Value (as defined below) thereof, payable semi-annually in arrears on June 30 and December 31 of each year, with Stipulated Loss Values for the period of renewal, including December 31, 2004, determined in a manner consistent with the original calculations of the prior Stipulated Loss Values, and otherwise on the same terms and conditions as provided herein. Accompanying such notice shall be Lessee's estimate of the Fair Market Rental Value.

For the purposes of this Lease, the Fair Market Rental Value of any unit shall be equal to the rent of such unit in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession or a used equipment dealer) and an informed and willing lessor under no compulsion to lease. Costs of removal from the location of current use shall not be a deduction in determining the above

value.

The Lessee and the Lessor agree to negotiate in good faith the Fair Market Rental Value and, in the event such agreement is not reached by August 31, 1996, at the Lessee's or the Lessor's option, the question of value shall be submitted to independent appraisers in the manner specified below. The Lessee and the Lessor agree to be bound by the determination of such independent appraisers. In no event shall a unit be leased pursuant to this Section 24 for less than its Fair Market Rental Value.

If either party hereto shall have given written notice to the other requesting determination of the Fair Market Rental Value by appraisal, the parties shall consult for the purpose of appointing one qualified independent appraiser by mutual agreement. If no such appraiser shall be so appointed by September 15, 1996, each party shall appoint an independent appraiser (which shall not be the manufacturer of such property) by September 30, 1996, and the two appraisers so appointed shall by October 15, 1996, appoint a third independent appraiser (which shall not be the manufacturer of such property). Each of the appraisers shall make their determinations by November 30, 1996. The two determinations which are closest in value to each other shall be averaged, and such average shall be final and binding as the Fair Market Rental Value. The Lessor and the Lessee shall each bear all expenses of its chosen appraiser, and the expense of the other appraiser shall be borne by the Lessee and the Lessor equally. If Lessor's appraiser and Lessee's appraiser are unable to

agree upon a third independent appraiser by November 30, 1996, the Fair Market Rental Value shall be determined by the American Appraisal Company, or any successor entity. The American Appraisal Company or such successor entity shall make the determination on or before February 1, 1997..

Notwithstanding the foregoing, within 15 days after receipt of the Fair Market Rental Valuation, the Lessee may elect by written notice to rescind its notice to renew, whereupon the Lessee shall pay the Lessor's reasonable out-of-pocket costs and expenses incurred in the appraisal procedure.

25. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSOR. The Lessor represents, covenants and warrants to the Lessee as follows:

(a) The Lessor is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation.

(b) This Agreement and the exhibits hereto to which it is a party have been duly authorized, executed and delivered by the Lessor and, assuming due authorization, execution and delivery by the other party or parties thereto, are legal and valid instruments binding on the Lessor.

(c) The Lessor is making its investment in the Equipment with its general assets, and not directly or indirectly with the assets of, or in connection with any arrangement or understanding by it in any way involving, any employee benefit plan, all within the meaning of ERISA; and the Lessor will not transfer its interest acquired pursuant to this Lease directly or indirectly to, or in connection with any arrangement or

understanding by it in any way involving, any employee benefit plan with respect to which the Lessee or the Lessor in its individual capacity is at the time a party in interest, all within the meaning of ERISA.

(d) The Lessor will promptly following execution of this Lease file and record this Lease with the Interstate Commerce Commission pursuant to Section 20c. of the Revised Interstate Commerce Act 49 U.S.C. 511303, and make such other filings, recordings, recording or depositing, or notice of this Lease with all other domestic agencies and jurisdictions which Lessor determines is reasonably necessary to protect Lessor's title to the equipment.

26. NOTICES - All notices required under the terms and provisions hereof shall be in writing and addressed (i) to Lessee:

Hooker Chemical Properties Corporation
c/o Occidental Petroleum Corporation
10889 Wilshire Boulevard, Suite 1500
Los Angeles, California 90024
Attention: Assistant Director - Finance

at such other address as Lessee shall from time to time designate in writing to Lessor, or (ii) if to Lessor: McDonnell Douglas Finance Corporation, Attention: President, at 100 Oceangate, Suite 900, Long Beach, California, 90802, or at such other address as Lessor shall from time to time designate in writing to Lessee.

27. CONDITIONS PRECEDENT - As conditions precedent to Lessor's duties under this lease, Lessee shall furnish Lessor on or before the delivery of this Lease the following: (a) an opinion

of counsel of Lessee with respect to the matters set out in Section 21 (ii) through (v) inclusive hereof, (b) certified copies of necessary resolutions and other documents authorizing this Lease, (c) the Purchase Order Agreement (d) a guaranty by Guarantor, in form and substance acceptable to Lessor, (e) evidence of procurement of the insurance required hereunder, and (f) such other documents as Lessor may reasonably require.

28. APPLICABLE LAW, MODIFICATIONS - This Lease shall be governed by and construed according to the laws of the State of California. The terms hereof shall not be waived, varied, contradicted, explained, amended or changes in any other manner except by an instrument in writing executed by both parties.

29. RECORDING, REGISTRATION AND FILING - The Lessor agrees and covenants that prior to the delivery and acceptance of the first unit of equipment, Lessor will, at Lessee's sole expense, cause this Lease to be duly filed, registered or recorded in conformity with Section 20c. of the Revised Interstate Commerce Act 49 U.S.C. 511303, and in other such places within or without the United States required by law or as Lessor may reasonably designate to protect its interest. Lessor will furnish the Lessee proof of such filing, registration or recordation. In addition, Lessee will, as requested by Lessor, at Lessee's cost and expense, execute, acknowledge, deliver for filing, registering, recording, depositing and re-filing by Lessor this Lease as required by law in the United States, including without limitation, financing statements under the Uniform Commercial Code (which, notwithstanding the intent of Lessor and Lessee that this is a true lease, Lessor shall have

the right to file wherever and whenever Lessor requires), for the purpose of protection to the satisfaction of Lessor, (and/or of Lessor's assignee) of Lessor's title to any equipment (and/or of Lessor's assignee's, if any, in any of the equipment) or for the purpose of carrying out the intention of this lease and its assignments and in connection with any such action will deliver to Lessee, upon request, proof of such filings. Lessee will pay, and bear the cost of all of the reasonable out-of-pocket costs and expenses incurred by Lessor in connection with this Lease and/or Lessor's purchase of any of the equipment for lease hereunder.

30. RIGHT OF TERMINATION. In the event that the Lessee shall, in its reasonable judgment, determine that any unit or units have become economically obsolete in, or surplus to, the Lessee's or its affiliates' business, the Lessee shall have the right, at its option and on at least 270 days' prior written notice to the Lessor, to terminate (hereinafter called a "Termination") this Lease as to such unit as of any succeeding rent payment date specified in such notice occurring on or after December 31, 1987 (the termination date specified in such notice being hereinafter called the "Termination Date".)

During the period from the 30th day after the giving of such notice until the 60th business day preceding the Termination Date, the Lessee shall use its best efforts to obtain bids for the purchase of such unit or units. The Lessee shall at least 45 business days prior to such Termination Date (1) certify to the Lessor the amount of each such bid and the name and address of the party (which shall not be a corporation

or individual affiliated with the Lessee or any party from whom the Lessee or any such affiliate intends thereafter to purchase or lease such unit) submitting such bid, and (2) advise the Lessor in writing whether it withdraws its election to terminate this Lease as to such units. In the event Lessee fails to or does not so advise Lessor that it is withdrawing its election to terminate this Lease as to such units on the Termination Date, the Lessor shall either (a) elect to take delivery and possession of such units and cancel all obligations of Lessee hereunder with respect to such units, or (b) sell such unit or units for cash to the bidder who shall have submitted the highest bid prior to the Termination Date. The total sales price realized at such sale shall be paid to the Lessor in immediately available funds on the Termination Date and, in addition, on the Termination Date the Lessee shall pay to the Lessor the excess, if any, of the Stipulated Loss Value as set forth in IER (hereinafter called the Termination Value) in respect of such unit or units over the net sales price of such units, after deducting from such sales price any and all out-of-pocket costs and expenses whatsoever incurred by the Lessor in connection with such sale. The Lessor shall be under no duty to solicit bids, to inquire into the efforts of the Lessee to obtain bids, or otherwise to take any action or incur any cost or expense in connection with any such sale pursuant to this Section 30, other than to transfer or to cause to be transferred all of the Lessor's right, title and interest in and to such units to the purchaser named in the highest bid certified by the Lessee to the Lessor as above provided. In

the event any sale is consummated pursuant to this Section 30, upon payment of the purchase price, the Lease shall terminate with respect to such unit and Lessor shall, upon request, execute and deliver to the purchaser a quitclaim bill of sale (without representations or warranties) for such equipment, and such other documents as may be necessary to release such equipment from the terms and scope of this Lease, and to transfer title thereto to the purchaser, in such form as may reasonably be requested, all at the Lessee's sole expense.

In the event a sale is not consummated for any reason, or if no purchaser is obtained by Lessee or Lessor, this Lease shall be and continue in full force and effect.

31. PURCHASE OPTION. Upon written notice on or before 540 days' prior to the expiration of the original or the renewal term of this Lease and provided no Event of Default, or event which, but for the lapse of time or the giving of notice or both, would be an Event of Default, shall have occurred and be continuing, Lessee shall have at the end of the original or renewal term of this Lease an option to purchase the equipment then subject to this Lease for an amount equal to the Fair Market Value (as defined below) thereof, payable in cash on the expiration of the current term of the Lease. Accompanying such notice shall be Lessee's estimate of the Fair Market Value. For purposes of this Lease, the Fair Market Value of any unit shall be equal to the value of such units in an arm's length transaction between an informed and willing buyer (other than a lessee currently in possession or a used equipment dealer) and an informed and willing seller under no compulsion to sell.

Costs of removal from the location of current use shall not be a deduction in determining the above value.

The Lessee and the Lessor agree to negotiate the Fair Market Value in good faith, and, in the event such agreement is not reached by August 31, of such year, at the Lessee's or the Lessor's option, the question of value shall be submitted to independent appraisers in the manner specified below. The Lessee and the Lessor agree to be bound by the determination of such independent appraisers. In no event shall a unit be sold pursuant to this Section 31 for less than its Fair Market Value. If either party hereto shall have given written notice to the other requesting determination of the Fair Market Value by appraisal, the parties shall consult for the purpose of appointing one qualified independent appraiser by mutual agreement. If no such appraiser shall be so appointed by September 1, of such year, each party shall appoint an independent appraiser (which shall not be the manufacturer of such property) by September 30, of such year, and the two appraisers so appointed shall by October 15, of such year, appoint a third independent appraiser (which shall not be the manufacturer of such property). Each of the appraisers shall make their determinations by November 30, of such year. The two determinations which are closest in value to each other shall be averaged, and such average shall be final and binding as the Fair Market Value. The Lessor and the Lessee shall each bear all expenses of its chosen appraiser, and the expense of the other appraiser shall be borne by the Lessee and the Lessor

equally.

If Lessor's appraiser and Lessee's appraiser are unable to agree upon a third independent appraiser by November 30, of such year, the Fair Market Value shall be determined by the American Appraisal Company, or any successor entity. The American Appraisal Company or such successor entity shall make the determination on or before February 1, of the year following such year.

In the event any sale is consummated pursuant to this Section 31, upon payment of the purchase price, Lessor shall, upon request, execute and deliver to the purchaser a quitclaim bill of sale (without representations or warranties) for such equipment, and such other documents as may be necessary to release such equipment from the terms and scope of this Lease, and to transfer title thereto to the purchaser, in such form as may reasonably be requested, all at the Lessee's sole expense. Notwithstanding the foregoing, within 15 days after receipt of the Fair Market Value, the Lessee may elect by written notice to rescind its purchase option, whereupon the Lessee shall pay the Lessor's reasonable out-of-pocket costs and expenses incurred in the appraisal price.

32. TIME - Time is of the essence hereof.

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

LESSOR:

MDFC EQUIPMENT LEASING
CORPORATION

By: *D. V. Black*

Title: *Vice Pres.*

LESSEE:

HOOKER CHEMICAL PROPERTIES
CORPORATION

By: *J. H. Harrison* *JHM*

Title: *Vice President*

ATTEST:

By: Charles K. [Signature]
Title: Secretary

SEAL

ATTEST:

By: [Signature]
Title: Asst. Secretary

SEAL

STATE OF *Texas*)
COUNTY OF *Harris*) SS

On this *19th* day of *September*, 1980, before me personally appeared *Thomas R. Harrison*

, to me personally known, who, being by me duly sworn, says that he is *Vice President*

of *Hooker Chemical Properties*

Corporation, that one of the seals 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 of said corporation.

Jean P. Purington

Notary Public

(Notarial Seal)

My Commission expires

JEAN P. PURINGTON
Notary Public in Harris County, Texas
My Commission Expires February 26, 1981
Bonded by Alexander Lovett; Lawyers Surety Corp.

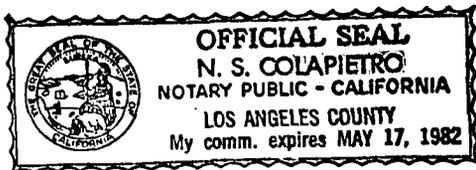
STATE OF *California* }
COUNTY OF *Los Angeles* } SS

On this *24th* day of *Sept.*, 1980, before me
personally appeared *D. V. Black*

, to me personally known, who, being by me duly
sworn, says that he is *Vice President*

of *McDonna*^{*CRS*} *MDFL Equipment*

Leasing Corporation, that one of the seals 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 of said corporation.



(Notarial Seal)

My Commission expires *May 17, 1982*

N. S. Colapietro

Notary Public

Exhibit A
to Equipment Lease Agreement of
September 22, 1980

INDIVIDUAL EQUIPMENT RECORD

IER NO. _____

Dated as of _____ to that Equipment Lease Agreement dated as of _____

LESSOR: MDFC Equipment Leasing Corporation
100 Oceangate Blvd.
Long Beach, California 90802
Attention:

LESSEE: Hooker Chemical Properties Corporation
Suite 1500
10889 Wilshire Blvd.
Los Angeles, CA 90024

LOCATION OF EQUIPMENT: Continental United States (with de minimus use permitted in the Dominion of Canada)

ACCEPTANCE DATE: The date set forth on the applicable Certificate of Acceptance.

New <input checked="" type="checkbox"/>	Purchase Order	*See Special Conditions	Security Deposit:
Used _____	No. _____	Term: * _____ year(s) _____ month(s)	\$ N/A
		Commencing See Special Conditions	

Tax Capitalized or Exempt Tax Based on Rentals Remit with each Payment	<input type="checkbox"/>	INSURANCE REQUIREMENTS: ALL RISK: Stipulated loss value.
	<input type="checkbox"/>	LIABILITY:

RENTAL: See Special Conditions

EQUIPMENT DESCRIPTION AND SERIAL NO.(S) (SEE ATTACHED INVOICES):		
Equipment Description	Serial No.	Equipment Cost
Nine (9) Parachloro BTF 18,000 gallon tank cars	HOKX 8261-69	
Twenty-five (25) 20,000 gallon acid tank cars	HOKX 8270-8294	

STIPULATED LOSS VALUES

BEFORE PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST
1	105.2				
2	106.4				
3	105.9				
4	106.5				
5	107.0				
6	107.3				
7	102.3				
8	102.3				
9	102.2				
10	101.9				
11	95.6				
12	94.9				
13	94.0				
14	93.0				
15	85.6				
16	84.3				
17	82.7				
18	81.0				
19	79.2				
20	77.2				
21	75.1				
22	72.8				
23	70.4				
24	67.8				
25	65.2				
26	62.3				
27	59.4				
28	56.4				
29	53.2				
30	49.8				
31	46.4				
32	42.8				
33	39.0				
34	35.0				

SPECIAL CONDITIONS:

The term of this Lease with respect to each Unit shall commence on the date of acceptance of such Unit by Lessee, as evidenced by the execution by Lessee of a Certificate of Acceptance with respect to such Unit.

Provided all of the conditions precedent in this Lease have been satisfied, the Lessor shall pay to the manufacturer of any Unit on the date specified by the Lessee (the "Funding Date") an amount equal to the price of such Unit (as set forth on an invoice of the manufacturer); provided, however, that Lessor shall have received (i) not fewer than two Business Days prior to the Funding Date, a written request from Lessee specifying the Funding Date and the aggregate price of the Units to be paid for on such date, and (ii) on or prior to the Funding Date, a Certificate of Acceptance executed by the Lessee, and a Bill of Sale and invoice executed by the manufacturer with respect to all Units to be paid for on such Funding Date. Lessor shall not be required to purchase or pay for any Unit which is accepted by Lessee on or after January 1, 1980.

This Individual Equipment Record may be simultaneously executed in counterparts, each of which shall be deemed to be an original, and such counterparts together shall constitute but one and the same Individual Equipment Record.

RENTAL: Lessee shall pay to Lessor, as rental for each unit of equipment accepted hereunder (individually a "Unit" and collectively the "Units"), (a) 0.032192% of the Equipment Cost to Lessor for each Unit, per day, for the period, if any, from and including the Acceptance Date (as such term is defined in the Special Conditions hereof) for such Unit to, but not including, January 1, 1980 (the Basic Lease Commencement Date), payable on the Basic Lease Commencement Date, and thirty-four (34) consecutive regular rental installments payable semi-annually in arrears commencing on June 30, 1980. Each of such regular rental installments shall be in an amount equal to 5.5822% of the total Equipment Cost.

LESSOR:
MDFC EQUIPMENT LEASING CORPORATION

By _____
Title _____

LESSEE: HOOKER CHEMICAL PROPERTIES CORPORATION

By _____
Title _____

CERTIFICATE OF ACCEPTANCE

The Lessee hereby acknowledges and agrees, respecting the equipment described below:

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

<u>ROAD NO.</u>	<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>LOCATION</u>
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Dated: _____, 1980

HOOKER CHEMICAL PROPERTIES CORPORATION

By _____

Title _____