PLM INVESTMENT MANAGEMENT, INC.
A Subsidiary of PLM, Inc.
50 California Street, Suite 3300
San Francisco, California 94111
415/989-1860
Telex 34430
TWX 910-372-7306

13358
RECORDATION NO. ..... FILED 1425

DEC 15 1981 - 1 [illegible] PM
INTERSTATE COMMERCE COMMISSION

December 9, 1981

Interstate Commerce Commission
12th Street & Constitution Avenue N.W.
Washington, D.C. 20423

No. 1-349A158
Date DEC 15 1981
Fee $ 150.00
ICC Washington, D. C.

Attention: Mildred R. Lee, Room 2303

RE: PLM Investment Management, Inc.

Ladies and Gentlemen:

You are hereby requested to record two certified Management Agreements, which are enclosed herewith. Also enclosed is a check which includes the sum of $50 for filing and recordation of the following investor(s).

Under the Management Agreement, Anzac Sportsman Club, Inc., P.O. Box 532, Kailua, Hawaii 96734, 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 in this letter, 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 owner with respect to such equipment, all as set forth therein.

The above described agreement relates to railway equipment consisting of one 4,750 cu. ft. capacity 100 ton covered hopper car. #12153

When recorded, the document should be returned to:

PLM Investment Management, Inc.
50 California Street
San Francisco, California 94111

Attention: Robin L. Austin

Sincerely,

Robin L. Austin

Robin L. Austin
Director of Operations

DEC 15 1 47 PM '81

RLA/djp
Enclosures
PLMX-12135

Interstate Commerce Commission

Washington, D.C. 20423

12/16/81

OFFICE OF THE SECRETARY

PLM Investment Management,Inc.
50 California Street
San Francisco, California 94111
Attn. Robin L Austin

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 **12/15/81** at **1:55pm** , and assigned re-recordation number(s). **13358,13359 & 13360**

Sincerely yours,

Agatha L. Mergenovich

Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 13358 Filed 1425

EXHIBIT C

DEC 15 1981 · 1 25 PM

11/30/81

INTERSTATE COMMERCE COMMISSION

MANAGEMENT AGREEMENT

This Agreement is the Management Agreement referred to in the Subscription Agreement to PLMX Covered Hopper Railcar Management Program 1981-82 and is incorporated therein by reference. PLM Investment Management, Inc. (hereinafter referred to as the "Manager") and the person(s) executing the Subscription Agreement as the "Investor" (hereinafter referred to as the "Owner") agree to be bound by this Management Agreement.

RECITALS OF FACT

Owner has, pursuant to a Purchase Contract (the "Purchase Contract") with PLM Transportation Equipment Corporation, purchased the covered hopper railcars identified therein (such car or cars are hereinafter referred to as the "Cars");

Owner may have financed a portion of the purchase price for the Cars from the proceeds of a borrowing (hereinafter referred to as the "Loan") from an institution or other entity (hereinafter referred to as the "Lender") and repayable in the periodic payments of principal and interest identified in and payable at designated times and in amounts, all as may be referred to in Schedule 1 attached to the Subscription Agreement and incorporated herein by reference, which Owner shall provide to the Manager concurrently with the execution of the Subscription Agreement (hereinafter referred to as "Debt Service");

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

The Manager intends to manage approximately 1,000 substantially similar railcars 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 Cars be accounted for and combined with the Gross Revenues and Operating Expenses (the "Pool") of all cars managed by the Manager under the PLMX Covered Hopper Railcar Management Program 1981-82 (the "Program"), all on the terms and conditions set forth herein;

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

1. *Representations.* By executing the Subscription Agreement, Owner represents and warrants to the Manager, the participating broker-dealer, and his agent that:

(a) Owner has been furnished a current Prospectus, as it may be amended or supplemented, relating to PLMX Covered Hopper Railcar Management Program 1981-82 (the "Prospectus") and the exhibits attached thereto.

(b) Owner meets the applicable suitability standards and/or financial requirements set forth in the Prospectus under the caption "Investor Suitability Standards."

(c) Owner has reviewed the discussion set forth in the Prospectus under the caption "Tax Aspects of Car Ownership" and understands that whether purchase of the Cars has economic substance apart from anticipated tax benefits (and, therefore, whether such tax benefits are subject to challenge) is essentially a factual question and depends in part on the subjective motivation of Owner. Owner has determined, in light of the discussion set forth in the Prospectus under the caption "The Private Railroad Car Industry—Future Values" and other information available to Owner, that it is not unrealistic to anticipate that net cash proceeds from lease and/or sale of the Cars will equal at least investment in the Cars with some return thereon.

THERE ARE CERTAIN RISKS AND OTHER CONSIDERATIONS RELATING TO THE PURCHASE OF THE CARS AND PARTICIPATION IN THE MANAGEMENT PROGRAM, INCLUDING THE RISKS SET FORTH UNDER THE CAPTION "RISK FACTORS" IN THE PROSPECTUS.

THE "PROJECTION" SET FORTH IN THE PROSPECTUS UNDER THE HEADING "FINANCIAL PROJECTIONS OF CAR OPERATIONS" ARE SHOWN FOR ILLUSTRATIVE AND ANALYTIC PURPOSES ONLY, AND NO ASSURANCE CAN BE GIVEN AS TO THE ACTUAL AMOUNT OR CERTAINTY OF ANY PRESENT OR FUTURE CASH BENEFIT OR TAX CONSEQUENCES WHICH MAY FLOW FROM THE MANAGEMENT PROGRAM.

2. *Engagement of the Manager.* Owner hereby engages the Manager as agent of Owner to manage the Cars, collect amounts due to Owner with respect to the Cars and disburse funds of Owner to pay costs, expenses and obligations of Owner with respect to the Cars, 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 fifteen years thereafter; provided, however, that, except for Sections 10 and 11, which shall, notwithstanding this proviso, remain in effect with respect to any Car transferred as described in Section 11(a), this Agreement shall terminate with respect to any Car which is withdrawn pursuant to Section 12 hereof, sold, lost or totally destroyed as of the date that such withdrawal is effective, such sale is consummated, or such Car 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 railroad indemnity payments payable in connection with any damage to or loss or total destruction of a Car), and to pay or arrange for payment of all expenses, taxes and other charges on Cars, due for or with respect to periods prior to such termination.

3. *Duties of the Manager.* In consideration of the compensation to be paid to the Manager by Owner pursuant to Section 6 hereof, and subject to the agreement of Owner to reimburse the Manager pursuant to Section 7 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 Cars as agent for Owner for the purpose of managing and operating the Cars, as herein provided.

(b) Use its best efforts to keep such Cars under lease for the term of this Agreement, entering into, as agent for Owner, lease agreements providing for the lease of the Cars to shippers, railroads, or other financially responsible parties for that purpose on terms and conditions which are customary in the industry and taking such steps as may be required to insure that all obligations and duties arising under such leases, whether of lessor or lessees, are performed or complied with in an orderly and timely fashion.

(c) Use its best efforts to insure that all steps are taken which may be necessary to have the Cars registered and authorized to operate under the rules of the Association of American Railroads ("AAR") as required by the terms of any lease, or otherwise.

(d) Use its best efforts to collect all rental payments due with respect to the Cars, 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 with respect to the Cars in a segregated bank account and such funds may be deposited in the same account with mileage allowances received for cars managed by the Manager and owned by investors participating in other programs. All such funds (whether or not attributable to Cars owned by Owner or other owners of cars who are participating in this Program and other programs) may be used to make payments of mileage allowances due to lessees with respect to all cars managed by the Manager under all investor programs.

(e) In the event of a default under a lease, use its best efforts to terminate such lease and recover possession of Cars 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 Cars 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 release such actions or suits or reinstate such leases.

(f) Use its best efforts to arrange to have the Cars maintained in good condition, which shall be equal to or greater than the highest of (i) any standard required or set forth for the Cars or cars of a similar class by the AAR, (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 Cars or any of them shall from time to time be insured; and to arrange for all alterations, modifications, improvements or additions to the Cars 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 7(d) 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.

(g) 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 Cars (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 Cars, and (iii) loss of revenues with respect to the Cars; provided, however, that if the Manager effects such insurance under a blanket insurance policy, or insurance policy covering Owner's Cars and other cars 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 owner's behalf if owner so elects.

(h) 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 Cars 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.

(i) Monitor and record movement of the Cars.

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

(k) Paint the Cars 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 Cars as shall be appropriate or necessary to comply with any regulation imposed by the AAR.

(l) Provide Owner with advice and recommendations concerning the sale of the Cars.

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

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

(o) If Owner has elected to finance a portion of the purchase price for the Cars from the Loan and (i) there will be a "balloon payment" identified in the Subscription Agreement, (ii) Owner shall have requested within one year of the due date thereof that the Manager assist in arranging refinancing for such payment, and (iii) the Manager shall have agreed to so assist the Owner at a fee

to be mutually agreed upon, use its best efforts to arrange refinancing for such balloon payment on the Loan at or prior to the due date for such payment. (Neither the Manager nor any of its affiliates shall have any obligation to provide, guarantee or undertake any other liability with respect to the refinancing of such balloon payment.)

(p) Pending distribution of funds to Owner, Manager may, but is not required, to 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.

(q) 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 operation of the Cars.

4. *Authority, and Limitations on Authority, of the Manager.*

(a) It is recognized that the Manager will manage under the Program the railcars, including the Cars, purchased by investors who enter into a management agreement substantially identical to this Agreement. It is recognized the the Manager will receive from owners of other cars in the Management Program compensation comparable to that payable by Owner hereunder. It is recognized and agreed that the Manager's services for, obligations to and rights with respect to Owner and the owners of other cars in the Management Program are several. Except as expressly provided in Section 4(b) hereof, the Manager will not act or purport to act for or in the name of the Pool, the Program or the owners of cars in the Program collectively or as an entity, it being expressly understood that any actions taken on behalf of the owners of cars in the Management Program will be taken as agent for such owners, severally and individually, either naming such owners or naming the Manager as agent for undisclosed several and individual principals. The parties hereto expressly recognize and acknowledge that this Agreement, the Management Program and the Pool are not intended to create a partnership, joint venture or venture or other entity among Owner, other owners of cars in the Management Program, the Manager and/or any affiliate of the Manager. The Manager shall not take any action or engage in any course of dealing, or permit any affiliate of the Manager to so act, which would suggest or create an inference that there is any understanding or agreement between owners of cars in the Program or that such owners are acting collectively or as an entity and the Manager shall use its best efforts to assure that no silence or failure to act on its part creates or sustains any such suggestion or inference.

(b) Notwithstanding the provisions of Section 4(a), the Owner recognizes that the Internal Revenue Service (the "IRS") might assert that there exists among the Owner and the other owners of cars in the Management Program and/or the Manager a partnership for federal income tax purposes and that, pursuant to Section 6698 of the Internal Revenue Code of 1954 (as amended), the Owner and the other owners of cars in the Management Program might be liable for a penalty for failure to file a federal information return with respect to the Management Program. Solely in order to avoid any such liability, until there shall have been an IRS or judicial determination whether pooling arrangements such as those embodied in the Management Program constitute partnerships for federal income tax purposes, the Manager is authorized and directed to file a federal information return on Form 1065 with respect to the operations of the Management Program and, solely for such purpose, the Owner consents to being identified in such return as a "partner." For the purpose of preparing and filing such information return, the Owner hereby constitutes and appoints the Manager as the agent and attorney-in-fact of the Owner and, with the consent of the other owners of Cars in the Management Program, of the Management Program for and on behalf of, and in the name, place and stead of the Management Program to prepare and sign as agent and attorney-in-fact and file federal information returns for the Management Program. In furtherance of such designation of the Manager as agent and attorney-in-fact, the Owner will, if the Manager shall so request, execute and deliver a Power of Attorney on Form 2848 and/or an Authorization and Declaration on Form 2848-D.

(c) The Manager shall not have any authority to (i) offer for sale, contract or agree to sell or sell any Cars except as Owner may from time to time hereafter expressly request or direct; (ii) make any alterations, modifications, improvements or additions to Owner's Cars, which are of the type referred to in Section 7(d) without the consent of Owner, express or inferred, as provided in Section 3(f), or (iii) make any loan of the funds of the Owner to itself, any affiliate, or any other person or entity.

5. *Owner's Revenues, Expenses and Net Earnings.*

(a) The actual Gross Revenues (as hereinafter defined) derived from the operation of the Cars 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 cars 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 Cars 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 6), use and/or operation of Cars, including but not limited to, maintenance; repairs, except to the extent that the cost of such repairs is the responsibility of Owner under Section 7(f); painting; costs of modifications and improvements which are not alterations, modifications, improvements or additions of the type described in Section 7(d); legal and accounting fees incurred pursuant to Section 13; legal fees incurred in connection with enforcing lease rights or repossessing Cars; insurance (and, if such insurance has been effected under a blanket insurance policy, or insurance policy covering the Cars and other cars 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 Cars only such portion of such insurance cost as is attributable to such Cars); charges, assessments, or levies imposed upon or against Cars of whatever kind or nature; losses from liabilities which are not the responsibility of Owner under Section 7(g); and Owner's pro rata share of that portion of ad valorem, gross receipts and other property taxes which are levied against all railcars bearing "PLMX" reporting marks and determined by the Manager to be attributable to the cars 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 cars in the Program only such portion of the aggregate of such taxes as are attributable to such cars).

(iii) Gross Revenues and/or Operating Expenses attributable to a calendar quarter which are received or paid before or after such quarter shall be included in subsequent quarterly distributions and accounted for as Gross Revenues or Operating Expenses of the quarter in which such revenues were received or expenses paid; provided, however, that if such revenue is received or such expenses paid within one year of the quarter to which they relate and the amount involved exceeds $500 per Car, the items shall be accounted for with the Gross Revenues and Operating Expenses for the quarter to which such items relate; provided further that, notwithstanding the foregoing, any such item or items received or paid prior to the close of the quarter following the quarter during which the last car to be managed by the Manager under the Program is delivered to a lessee shall be accounted for with the Gross Revenues and Operating Expenses for the quarter to which such items relate.

(c) Owner's Gross Revenue and Operating Expenses for any fiscal period shall be the product of (i) Gross Revenues derived from all cars managed under the Program or Operating Expenses incurred by or with respect to all cars 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 Cars multiplied by the number of days in such fiscal period that the Car is managed under the Program (or, if the Owner owns more than one Car managed under the Program, the sum of such products computed with respect to each of the Owner's Cars) and the denominator of which is the product of the total number of Cars managed under the Program multiplied by the number of days in such fiscal period that such cars are managed under the Management Program. The number of cars (or Cars, as the case may be) managed under the Program shall be the number of cars actually managed under the Program from time to time during such fiscal period and if any cars are destroyed, lost, sold, disposed of or withdrawn from the Program during such fiscal period, any computation under this Section 5(c) shall reflect such destruction, loss, sale, disposition or withdrawal; provided, however, that (x) notwithstanding that the owner of any cars managed under the Program shall have entered into a management agreement with the Manager, the cars owned by such owner (which may be Owner) shall not be considered to be managed under the Program until such cars shall first have been

delivered to and accepted by a lessee thereof and (y) there shall not be any adjustment of computations under this Section 5(c) on account of the temporary withdrawal from service of any car for repairs, maintenance or reconstruction.

(d) As used in this Agreement, the term "Net Earnings" shall mean the Gross Revenues attributable to the Cars less the sum of (i) the amount of the Operating Expenses attributable to the Cars; (ii) all compensation paid or payable to the Manager under Section 6; (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 Cars, or for expenses relating to the Cars arising or payable after the termination or expiration of this Agreement; and (iv) any storage and transit costs payable by Owner under paragraph 6 of the Purchase Contract.

6. *Compensation.* As compensation to the Manager for the performance of services hereunder, Owner shall pay to the Manager the amounts set forth below, which amounts shall be payable, in the case of Section 6(a), on the first day of each month for which they are due; in the case of Section 6(c), on the last day of each month for which they are due; and, in the case of Section 6(d), within fourteen (14) days following the end of the calendar quarter for which they are due. All such fees shall be the sole responsibility of Owner and shall not constitute items of Operating Expenses.

(a) *Base Compensation to the Manager.* Owner shall pay to the Manager a monthly management fee per Car equal to $70 per Car per month, which shall be subject to adjustment in accordance with Section 6(b), hereof. For any partial calendar month during the term of the Agreement, the fee shall be pro-rated on a daily basis.

(b) *Adjustment of Base Compensation to the Manager.* The management fee shall be increased (or decreased), effective January 1, 1987, by an amount equal to the percentage increase (or decrease) in the "Consumers Price Index for Urban Wage Earners and Clerical Workers San Francisco—Oakland, California All Items," published by the Federal Bureau of Labor Statistics (the "CPI") for the period January 1, 1982 through December 31, 1986. A second adjustment shall be made effective January 1, 1992, based upon the increase in the CPI over the period January 1, 1987, through December 31, 1991. Any such adjustments shall be computed to the nearest cent.

(c) *Servicing Fee to the Manager.* If Owner shall have requested the Manager to make the special distributions of Net Earnings provided for by Section 7(a), Owner shall pay to the Manager an additional management fee equal to $10.00 per Car per month, commencing with the month which Net Earnings are first so distributed and ending with the month for which the last such distribution is made. Adjustments to the additional management fee shall be made on the same basis and at the same times as adjustments are made to the base management fee, except that all adjustments shall be computed to the nearest multiple of $.50 which does not exceed the actual amount of the prescribed increase.

(d) *Incentive Management Fee.* Beginning with the fifth full calendar quarter following the date of the termination of the offering described in the Prospectus, Owner shall pay to Manager an incentive management fee, which shall equal fifteen percent (15%) of the excess of the Quarterly Cash Flow for the quarter over the Base Quarterly Revenue, as those terms are hereinafter defined, payable quarterly within fourteen (14) days following the end of the calendar quarter to which it relates. Base Quarterly Revenue equals one-third (⅓) of the excess of (i) Gross Revenues during the first three full calendar quarters following the termination of the offering described in the Prospectus over (ii) the sum of Operating Expenses for such period and the compensation payable to Manager pursuant to Section 6(a). Quarterly Cash Flow for any calendar quarter equals Gross Revenues for such quarter less the sum of the following items for such quarter: (i) Operating Expenses, (ii) such reserves as the Manager shall, in its sole discretion, have reasonably created pursuant to the provisions of Section 5(d), and (iii) the compensation payable to Manager pursuant to Section 6(a).

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

(a) *Special Distributions of Net Earnings.* Subject to Section 7(i), below, if (i) Owner has financed a portion of the purchase price for the Cars from the Loan and Debt Service is due on either the first or the last day of each month and (ii) Owner has requested that the Manager assist Owner in providing for timely payment of Debt Service, the Manager shall, not later than three full business days prior to the time that Debt Service for any month is due and payable, distribute to Owner or on behalf of Owner as hereinafter provided, the lessor of (A) the Manager's then best estimate of the Net Earnings attributable to the Cars for the preceding month, in the case of Debt Service due on the last day of each month, or the second preceding month, in the case of Debt Service due on the first day of each month, and (B) the Debt Service then to be due and payable. Such distribution shall be made by transfer to the Lender (which transfer may be made by sending by regular first-class mail a check for the amount transferred), in the name of Owner, of the amount so distributed. If the amount distributed for the benefit of Owner pursuant to the first sentence of this Section 7(a) is less than the full amount of the Debt Service then to be due and payable, the Manager shall, not later than five full business days prior to the time Debt Service for such month is due and payable, advise Owner in writing (which advice may be sent by first-class mail) of the existence and amount of such deficiency. Distributions pursuant to this Section 7(a) shall commence for the month during which Owner shall request that such distributions be made (which request may be made by execution of the request form on the signature page of this Agreement or by written notice to the Manager) and shall terminate after the distribution for the month during which, by written notice to the Manager, Owner shall request that no further such distributions be made.

(b) *Regular Distributions of Net Earnings.* Subject to Section 7(i), below, within 75 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 Cars during each quarter over (ii) the amount of Net Earnings, if any, for such quarter distributed for the benefit of Owner by the Manager pursuant to Section 7(a).

(c) *Payment of Operating Deficits.* Within ten (10) days of receipt of notice and demand from the Manager, Owner shall pay to the Manager the amount by which Net Earnings for a calendar quarter, reduced by the Net Earnings, if any, for such quarter distributed for the benefit of Owner by the Manager pursuant to Section 7(a), shall be less than zero.

(d) *Payment for Special Improvements.* The cost of any alterations, modifications, improvements or additions to a Car which are required by the AAR, Department of Transportation or other regulatory agency or are otherwise required to comply with applicable laws or regulations or any lease or which, in the discretion of the Manager, are otherwise necessary or advisable and are 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.

(e) *Payment for Additional Insurance.* If the Manager determines, as provided in Section 3(g) 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.

(f) *Payment for Certain Property Damage.* The cost of repair of damage to any Car (other than the cost of repairs which the Manager determines constitute maintenance of such Cars) is the sole responsibility of Owner. Any payments, including, without limitation, insurance benefits or railroad or lessee indemnity payments, received to cover the damage to such Car (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 3(g) 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 Car). 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 Car which are received by the Manager and not applied to payment of the cost of repair of such damage.

(g) *Payment of Uninsured Losses.* Losses from third party liability for bodily injury or property damage caused by any Car (including attorneys' fees) which are (i) not covered by insurance and (ii) are in excess of the lesser of (x) $2,500 per occurrence per Car for liability for bodily injury and $2,500 per occurrence per Car for liablity for property damage and (y) the amount of the deductible(s) under any liability insurance for bodily injury and property damage on the Cars 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, railroad or 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 in within the term "Gross Revenues").

(h) *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 3, 5 and 7 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.

(i) *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.

8. Indemnification.

(a) *By the Manager.* The parties hereto acknowledge that the Manager has entered into or intends to enter into lease agreements (the "Leases") with lessees (the "Lessees") for the 1,000 cars which may be owned by participants in the Program. If the Manager, as a result of the failure to sell sufficient cars, is unable to deliver the numbers of cars called for by the Leases to the Lessees (the "Indemnifiable Event"), then (i) The Manager shall defend, indemnify and hold Owner harmless from and against any and all claims, actions, damages, expenses (including attorneys' fees), losses or liabilities asserted against Owner and arising out of any claim made by the Lessees on account of the Indemnifiable Event, and (ii) Any expenses incurred by the Manager in obtaining substitute cars to meet the requirements under the Leases on account of the Indemnifiable Event shall be borne by the Manager; such cars shall not be included in the Program; and the Gross Revenues and Operating Expenses of such substitute cars shall not be pooled hereunder with Gross Revenues and Operating Expenses of Owner's Cars.

(b) *By Owner.* Except as provided in Section 8(a), 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 Cars, including, without limitation, claims for injury to or death of persons, loss of or damage to property (including the Cars) and economic loss due to the unavailability for use of the Cars; 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.

9. *Right of First Refusal; Exclusive Sales Agency.*

(a) *Right of First Refusal.* During the term of this Agreement and for a period of four months thereafter, if Owner shall have received from a third party ("Offeror") a bona fide offer (the "Offer") for the purchase of any or all of the Cars, and if (i) either (x) Offeror is a competitor of the Manager or any of its affiliates in the business of originating, arranging, brokering, syndicating or dealing in leased equipment or the business of managing railcars or other railroad equipment or (y) Owner actively initiated the transaction or actively solicited the Offer and (ii) Owner desires to accept the Offer, Owner shall first obtain a copy of the Offer in writing signed by the Offeror and forward a true copy thereof to the Manager. The Manager shall in such cases (but no others), thereupon have the first option for a period not to exceed sixty (60) days after receipt of a copy of the Offer from Owner, to purchase all or any of the Cars upon the same terms and conditions set forth in the Offer. If the Manager purchases a Car from Owner pursuant to this Section 9(a) and within 90 days thereafter the Manager resells the Car to a third party [other than an affiliate (as defined in Section 9b) of the Manager], the Manager shall pay to such Owner the excess, if any, of (i) the gross sales price of the Car over (ii) the sum of (x) the purchase price previously paid by the Manager to Owner, (y) the Manager's commission pursuant to Section 9(b) below, notwithstanding any limitations therein, and (z) any costs or expenses incurred in connection with such resale, including any commission payable to any broker-dealer; provided, however, that if the Car is sold through a broker who is an affiliate of the Manager, any commission payable to, and retained by, such affiliate shall not exceed the commission payable to the salesman employed by such affiliate.

(b) *Exclusive Sales Agency.* During the term of this Agreement and for a period of four months thereafter, the Manager shall have the exclusive right to sell the Cars. Except in case of any sale or other disposition of a Car to the Manager (whether pursuant to Section 9(a) or otherwise) or any of its affiliates (that is, any company, person or firm controlling, controlled by, or under common control with, the Manager) or upon or in connection with a foreclosure, loss or destruction of a Car, Owner shall pay to the Manager upon the sale of a Car a sales commission determined as follows:

(1) Upon the sale of a Car arranged by the Manager and consummated within four years from the date on which Owner purchased such Car the sales commission shall be equal to the sum of (a) 4 percent of that portion of the net sale proceeds from the sale of the Car not in excess of the total purchase price of the Car provided under paragraph 6 of the Purchase Contract (including any storage or transit costs contemplated by said paragraph 6); and (b) 25 percent of any sale proceeds in excess of 100 percent of the total purchase price of the Car; or

(2) Upon the sale of a Car arranged by the Manager and consummated after four years from the date on which Owner purchased such Car the sales commission shall be equal to the lesser of (a) the sales commission that would be payable if the sale were subject to Section 9(b)(1) or (b) the excess, if any, over the total purchase price of the Car of the sum of (x) the investment tax credit allowable to Owner in respect of the Car in the year the Car was placed into service; (y) the aggregate amount of Owner's Net Earnings, as that term is defined in paragraph 5(d) of this Agreement; and (z) the net sale proceeds from the sale of the Car.

10. *Subordination.* This Agreement and the Manager's authority and rights hereunder are subject to the lien upon, and security interest in, the Cars and revenues generated by the Cars held by any Lender to whom Owner has granted a security interest in the Cars; 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 11) 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 Cars pursuant to such security agreement are paid.

11. *Dealings with Lessees.*

(a) It is intended that leases of cars managed under the Program will cover several or all of the cars so managed under the Program at any time. Unless the lessee of such cars 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 car subject to such lease (even though such car is not then managed under the Program) shall, 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 car which is subject to the leases referred to in Section 11(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 cars of such person from such leases and, if necessary, substitute thereunder cars identical or substantially similar to the cars so withdrawn.

12. *Withdrawal in Case of Special Improvements.* If any alterations, modifications, improvements or additions of the type referred to in Section 7(d) 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 Cars 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 railway cars, such as the Cars, 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 Cars. In the event of such termination and withdrawal, all costs associated with the Cars (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 Cars.

13. *Reports.*

(a) Not later than 75 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 for 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 7(a).

(b) Within 75 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 13(a).

(c) Not later than 75 days after the close of Owner's taxable year (which will be deemed to be the calendar year unless Owner shall otherwise notify the Manager in writing), the Manager on behalf of the Program will deliver to Owner a Schedule "K-1" relating to the operations of the Cars setting forth certain information reasonably necessary in connection with the preparation of Owner's federal income tax returns.

(d) Within 90 days after the close of each calendar year, the Manager on behalf of the Program will deliver to Owner a report of independent accountants as to such accountant's review of the Program (which review will not constitute, and is not intended to be equivalent to, an audit).

(e) Notwithstanding this Section 13, if the Program is required pursuant to either Section 12 or Section 15(d) of the Securities Exchange Act of 1934 to file reports under Section 13 of the Securities Exchange Act of 1934, then, in lieu of the reports required under this Section 13, the Program shall provide to Owner a quarterly report or annual report, as the case may be, in such form and containing such information as shall be required under such sections and regulations thereunder.

14. *Use of Cars.* The Manager shall use its best efforts to enforce the obligations of the Lessees under the Leases covering the Cars so that the Cars 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, except as otherwise permitted under Section 48(a)(2)(B). The Manager in the leasing of Cars and in the allocation of Cars to various leases shall use its best efforts to cause each lease for the Cars entered into, or arrangements for the use of the Cars made, subsequent to the termination of any of the leases to contain provisions regarding the identity of the lessees or sublessees of the Cars and the locations of use of the Cars so as to avoid recapture of any allowable investment tax credit claimed with respect to the Cars. This provision shall not, however, require the Manager to enter into any lease which restricts the location of the use of the Cars on a fiscal year rather than a calendar year basis.

15. *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: Vice President—Investor Programs

If to Owner:

To the address set forth on the Subscription Agreement;

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

16. *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 agreement, 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.

(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, but not limited to, acts of God, riots, strikes, fires, storms, public disturbances, or any regulation of the federal or any 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; provided, however, that if the Manager owns, or manages for another party, railroad cars which are similar to the Cars, and the total of such cars (including the Cars) available for lease exceeds the demand for such cars, the Cars shall be treated no less favorably than any other cars the Manager owns or manages. Owner recognizes and acknowledges that it is the Manager's intention to give priority to those cars which have been off-lease and available for the longest period of time.

(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.

THIS MANAGEMENT AGREEMENT IS NOT INTENDED TO BE EXECUTED SEPARATELY. THE SUBSCRIPTION AGREEMENT CONSTITUTES ITS SIGNATURE PAGE.

SUBSCRIPTION AGREEMENT

PLMX Covered Hopper Management Program 1981-82

BY THIS AGREEMENT THE UNDERSIGNED INVESTOR AND TEC AGREE TO BE BOUND BY THE PURCHASE AGREEMENT AND THE INVESTOR AND THE MANAGER AGREE TO BE BOUND BY THE MANAGEMENT AGREEMENT, WHICH AGREEMENTS ARE SET FORTH IN FULL IN THE PROSPECTUS OF PLMX COVERED HOPPER RAILCAR MANAGEMENT PROGRAM 1981-82.

BECAUSE OF THE POSSIBILITY OF CHANGES IN THE SUBSCRIPTION PRICE, INVESTORS AND SELECTED AGENTS ARE URGED TO CONSULT WITH RM SECURITIES PRIOR TO SUBMITTING THIS SUBSCRIPTION AGREEMENT TO CONFIRM THE AMOUNT OF THE SUBSCRIPTION PRICE.

WITHIN 30 DAYS AFTER DELIVERY OF THIS AGREEMENT TO TEC, TEC WILL NOTIFY THE UNDERSIGNED INVESTORS IN WRITING WHETHER THIS AGREEMENT HAS BEEN ACCEPTED OR REJECTED. THE UNDERSIGNED INVESTOR SHOULD CONTACT TEC IF HE OR SHE HAS NOT RECEIVED SUCH WRITTEN NOTIFICATION WITHIN SUCH 30-DAY PERIOD.

Amount of check delivered herewith: $46,150.00 (payable to "Union Bank - Escrow Agent" with "PLMX Covered Hopper 1981-82" written on the bottom.)
Funds by wire transfer from Bank of Hawaii
Number of Cars to be purchased: One (1)

The Cars are all new gravity discharge covered hopper cars with 100-ton capacity trucks, 4,700-4,750 cubic feet capacity, and three compartments with either circular or trough covers. The following serial numbers and reporting marks of the Cars will be completed by TEC at the closing.

Serial Numbers	Reporting Marks
	PLMX 12135

Investor's Elections:

1. Initial here 7674 if Investor is submitting this Agreement between October 31, 1981, and December 31, 1981, and Investor wishes to condition his subscription upon the placement of the Cars in service on or before ~~December 31, 1981~~ November 30, 1981. 1074

2. Initial here _____ if Investor requests the Manager to make special distributions as provided by Section 7(a) of the Management Agreement. Investors requesting the Manager to make such distributions must complete the portion of this Agreement entitled "Financing Information."

Investor's Name

INC.

Street Address POBOX 532

Address #2

City KAILUA ~~[illegible]~~ State HI

SS # Or Tax ID Zip 96734

Phone Number (808)2624828 Work [X] Home [ ]

Broker/Dealer Use:

R.R. Name

B /D Firm

Street Address (branch office)

City, State & Zip

R.R. Tele. # ( )

PLM Use:

Number of Units Purchased 1 Date 112581

Amount of Receipt 4615000 Date

Date

RMS Salesman # 22

R.R. #

Broker/Dealer # 1 700886

Bank Acct. # 800034

Purchase Price 4615000

Check One:

___ Individual ownership*
___ Joint tenants with right of survivorship**
___ Community Property**
___ Tenants in common**
___ Custodian for _____ under the Uniform Gift to Minors Act of State of _____

___ Tenants in Entirety**
___ Keogh Plan****
X Corporate or partnership owners***
___ Individual Retirement Account****
___ Trust: (Please attach trust agreement)
(1) Trustee(s) _____
(2) Trust date _____
(3) Name of Trust _____
(4) For the benefit of _____

FISCAL YEAR OF INVESTOR: November 30

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* Units may not be registered in the name of a minor except under a Uniform Gift to Minors Act or other appropriate law.
** Signatures of all parties required.
*** If a partnership, state the names of all partners. If corporation, please attach Corporate Resolution.
**** Fill in Name of Trustee or Fiduciary if Trust or Keogh Plan is checked.

Investor represents that (i) if Investor is an individual, Investor has the legal capacity to enter into this Agreement and (ii) if Investor is a corporation or other legal entity, that the execution of this Agreement on behalf of Investor has been fully authorized and is within the legal power of Investor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of 30 Nov., 1981 (date of Closing; to be completed by the Manager).

INVESTOR:	INVESTOR:
ANZAC SPORTSMAN CLUB, INC.	
By Theodore D. Hess Its President	By _____
PLM INVESTMENT MANAGEMENT, INC. (the "Manager")	PLM TRANSPORTATION EQUIPMENT CORPORATION ("TEC")
By R. L. Austin	By _____

(NOTE: IF CARS ARE TO BE REGISTERED IN MORE THAN ONE NAME, ALL INVESTORS MUST SIGN.)

The following legend is applicable to California residents only:

IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES.

FINANCING INFORMATION

(Complete only if Investor Election No. 2 initialed)

The Investor has financed a portion of the purchase price for the Cars and, pursuant to Section 7(a) of the Management Agreement, hereby requests that the Manager assist in providing for payment of Debt Service. The Manager is hereby authorized to rely on the following information.

Name of Lender: _____
Address: _____
Phone: _____
Officer in charge of account: _____
Account or Loan Number: _____
Date Installments commence: _____
Amount of each Installment: _____
Day of month Installments Due: _____
Number of Installments: _____
Due Date of Final Installment: _____
Amount of "Balloon Payment": _____
Due Date of any "Balloon Payment": _____

The Investor hereby requests that payment be made:
(Please check one.)
First day of Month: _____
Last day of Month: _____

Name _____
(Please Print)

Signature _____

PLEASE BE SURE TO FILL IN ALL BLANKS.
For Investor who is an individual:

State of _____)

ss.:

County of _____)

On this _____ day of _____, 19___, before me personally appeared _____ (name of the signer of the foregoing instrument, to me known to be the person described in and who executed the foregoing instrument and he or she acknowledged that he or she executed the same as his or her free act and deed.

(SEAL) _____

My commission expires

_____ _____

For Investor which is a corporation:

State of HAWAII)

ss.:

County of Honolulu)

On this 25th day of NOVEMBER, 1981, before me personally appeared THEODORE D. HESS (name of the signer of the foregoing instrument), to me personally known, who being by me duly sworn, says that he is the PRESIDENT (title of office) of ANZAC SPORTSWEAR CLUB, INC. (name of corporation), 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 of said corporation.

(SEAL) _____

My commission expires
9/13/83