

WILMER, CUTLER & PICKERING

0-068A001

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ALLEN H. HARRISON, JR

DIRECT LINE (202)

663-6093

RECORDATION NO. 16790 FILED 1425

15 RUE DE LA LOI  
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TELEPHONE 011 (322) 231-0903  
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March 9, 1990 MAR 9 1990 - 9 25 AM

INTERSTATE COMMERCE COMMISSION

Dear Ms. McGee:

\$30.00

On behalf of The CIT Group/Equipment Financing, Inc., I submit for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder, three (3) executed counterparts of a primary document, not previously recorded, entitled Security Agreement dated as of February 23, 1990.

The parties to the enclosed Security Agreement are:

ATEL Cash Distribution Fund (a California limited partnership) - Borrower (for indexing purposes Mortgagor)  
160 Sansome Street  
7th Floor  
San Francisco, California 94104

The CIT Group/Equipment Financing, Inc. - Secured Party (for indexing purposes, Mortgagee)  
600 Penton Plaza  
Cleveland, Ohio 44114

The Security Agreement covers, among other things, a loan from the Secured Party to the Borrower secured by certain rolling stock and lease payments therefrom.

The units of equipment covered by the Security Agreement are those twenty-five (25) CCBX tank cars as identified in Exhibit A to the Security Agreement.

A short summary of the document to appear in the ICC Index is as follows:

"Covers 25 CCBX tank cars and rents thereof."

PLEASE CROSS INDEX this filing under Recordation No. 15532, which covers that certain Lease Agreement of December 1, 1987 between ATEL Financial Corporation and Vista Chemical Company.

*New Number*

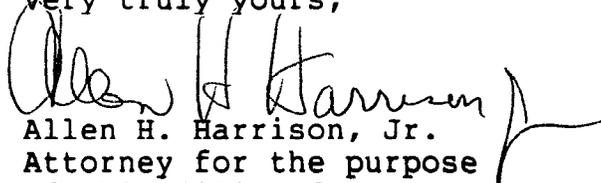
*Handwritten signature/initials*

*Cross index* →

Enclosed is a check in the amount of thirty dollars (\$30.00) in payment of the filing fee (\$15.00), and the cross indexing fee (\$15.00).

Once the filing has been made, please return to bearer the stamped counterparts of the Security Agreement not needed for your files, together with the fee receipt, the letter from the ICC acknowledging the filing, and the two extra copies of this transmittal letter.

Very truly yours,

  
Allen H. Harrison, Jr.  
Attorney for the purpose  
of this filing for  
The CIT Group/Equipment  
Financing, Inc.

Honorable Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Enclosures

AHH/iw

**Interstate Commerce Commission**  
Washington, D.C. 20423

3/9/90

**OFFICE OF THE SECRETARY**

Allen H. Harrison, Jr.  
Wilmer, Cutler & Pickering  
2445 M St N.W.  
Washington, D.C. 20037-1420

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 3/9/90 at 9:25 AM and assigned recordation number(s). 16790

Sincerely yours,



Noreta R. McGee  
Secretary

Enclosure(s)

16790

RECORDATION NO. \_\_\_\_\_ FILED 1425

MAR 9 1990 -9 25 AM

INTERSTATE COMMERCE COMMISSION

Lessee: VISTA Chemical Company  
Equipment Schedule No. 1  
Master Lease No. ATEL/VISTA

SECURITY AGREEMENT  
(Chattel Mortgage and Assignment of Lease)

THIS AGREEMENT, dated as of February 23, 1990, is entered into by and between ATEL Cash Distribution Fund, a California limited partnership with its principal place of business located at 160 Sansome Street, 7th Floor, San Francisco, CA 94104 (the "Borrower") and THE CIT GROUP/EQUIPMENT FINANCING, INC. with a place of business at 600 Penton Plaza, Cleveland, OH 44114 (the "Secured Party"). In consideration of certain loans made by the Secured Party to the Borrower and the agreements contained herein, the parties hereto agree as follows:

1. As security for the payment of all indebtedness and other obligations (the "Indebtedness") of Borrower to Secured Party, hereunder and under a certain Promissory Note (the "Note") in the original principal amount of \$457,642.20, dated March 5, 1990 and payable by Borrower to Secured Party, the Borrower hereby assigns to Secured Party, and grants to Secured Party a security interest in all the Borrower's right, title, and interest in and to certain property (the "Collateral") consisting of (i) the equipment described in Exhibit "A" hereto (the "Equipment"); (ii) all rental payments and other amounts payable by Lessee to the Borrower (the "Lease Payments") under Equipment Schedule No. 1, dated January 25, 1988 (the "Schedule") under Master Agreement for Lease No. ATEL/VISTA1 (the "Master Lease") dated December 1, 1987 between Borrower as Lessor and the lessee named therein as lessee (the "Lessee") (a copy of the Schedule is attached hereto as Exhibit "B"); (iii) the Schedule, and to the extent it applies to the Schedule and the Equipment, the Master Lease (the Schedule and the Master Lease are sometimes herein together referred to as the "Lease"); (iv) any guaranty or security given to Borrower to guaranty or secure any of Lessee's obligations under the Lease; and (v) all proceeds of any of the foregoing and of the insurance referred to in paragraph (4) hereof. Borrower also grants to Secured Party a security interest in the Equipment and any proceeds thereof as security for the obligations of the Lessee under the Schedule. "Proceeds" shall have the meaning set forth in the Uniform Commercial Code and shall include without limitation all proceeds of the conversion, voluntary or involuntary, of the foregoing into cash

or liquidated claims including insurance proceeds and condemnation awards.

2. The Borrower represents, warrants and agrees that: (i) to the best of Borrower's knowledge it owns the Equipment, the Schedule and the Lease Payments are free and clear of all liens, claims and encumbrances arising by or claiming through any action or inaction of Borrower except for the rights of the Lessee under the Lease with respect to the Equipment and the rights of the Secured Party granted hereby; (ii) it has full power and authority to make the assignments and grants of security interests made hereby; (iii) the Note, this Agreement, the Schedule and the Master Lease and any guaranty thereof held by Borrower are legally valid and binding and are enforceable (subject to Bankruptcy laws and other laws effecting the rights of creditors generally) against the parties thereto in accordance with their respective terms; (iv) Lessee has represented that there are no and there will be no, and Borrower is not aware of any, setoffs, counterclaims or defenses on the part of the Lessee with respect to the obligation of the Lessee to make payments; (v) Lessee has represented and warranted that for the Equipment for which the Delivery and Acceptance Certificate has been received, has been delivered to and accepted by the Lessee and installed at the Lessee's address set forth in Exhibit "A" hereto and the Lease requires the Lessee to keep the Equipment at such address unless Lessor otherwise consents; (vi) it has been or will be delivered to Secured Party a fully executed Schedule, which is, and will be, the only original marked "Secured Party's Original" or "Counterpart No. 1"; (vii) it will execute such financing statements in connection herewith as the Secured Party may reasonably request; (viii) the Lease states that Lessee will pay, or Borrower will enforce the payment of or otherwise cause to be paid, all taxes, assessments, license fees and other public or private charges respecting the Collateral, the Note or this Agreement which are from time to time levied upon or assessed against the Collateral, the Note, this Agreement or Borrower (but Borrower may contest such taxes or other charges in good faith and with due diligence, provided no part of the Collateral will be subject to a lien, forfeiture, sale of diminution in value in connection with such contested tax or other charge during any such contest); (ix) it will not create or permit any liens or claims against the Equipment arising by or claiming through any action or inaction of Borrower other than the rights of the Lessee under the Lease and the rights of the Secured Party granted hereby, and the Lease is the only document executed by the Lessor and the Lessee with respect to the Equipment and to the best of Borrower's knowledge constitutes a valid reservation of unencumbered title or a perfected first priority security

interest upon the property covered thereby, effective against all persons; (x) all signatures, names, addresses, amounts and other material statements and facts contained in the Lease, the Note, this Agreement and the other documents and instruments, including copies of originals, delivered by Borrower to Secured Party relating to the Lease, Lessee and Borrower are true and correct; (xi) to the best of Borrower's knowledge, the terms of the Equipment Schedule No. 1, as independently established by Borrower and Lessee, are what they purport to be; (xii) if so directed in writing by Secured Party, Borrower has conducted at Borrower's expense a Uniform Commercial Code blanket lien search in the locations and jurisdictions and against the parties reasonably requested by Secured Party, and if there are on file financing statements in favor of anyone other than Secured Party, Borrower has delivered a copy to Secured Party and it has been or will be terminated or subordinated to Secured Party's interest in the Collateral; (xiii) it will promptly notify Secured Party of any Event of Default or default as defined in the Lease or in this Agreement; and (xiv) it will not amend or modify any provision of the Schedule, the Lease or any guaranty or security assigned hereby without the prior written consent of the Secured Party.

3. This Agreement shall not relieve Borrower from or cause Secured Party to be liable for, the obligations or Borrower under the Schedule or the Lease, and Secured Party agrees not to disturb Lessee's quiet use and enjoyment of the Equipment so long as no Event of Default or default (as defined in the Lease) has occurred and is continuing under the Lease. The Borrower also shall use its best efforts to cause Lessee to perform Lessee's obligations under the Schedule and the Master Lease to the extent it relates to the Schedule. The Borrower agrees that all Lease Payments due after the date hereof shall be made by Lessee directly to Secured Party, and Borrower agrees to direct Lessee to make such payments directly to Secured Party. At any time that Lessee may be in default, Secured Party also may exercise, at any time and from time to time, such rights, powers, and remedies of Borrower as Lessor under the Lease as Secured Party may, in its sole discretion deem appropriate.

4. All risks of loss, damage to or destruction of the Equipment shall be borne by Lessee under the Lease, and Lessee shall insure the Equipment against such risks to be borne by it in each case in an amount not less than the aggregate amount of the Lease Payments due from and after the date on which such risk might occur. All policies for such insurance shall be with insurance carriers satisfactory to Secured Party and contain loss payable clauses in favor of both Borrower and secured Party as

their respective interests may appear and shall require the insurer to provide Secured Party with no less than 30 days written notice of cancellation or alteration thereof and Borrower shall deliver evidence of such insurance reasonably acceptable to Secured Party as Secured Party's request. Should Lessee fail to (i) deliver said evidence of such insurance at Secured Party's request, (ii) maintain any policy required by this Section 4 in full force, or (iii) pay any premium relating thereto in whole or in part, Secured Party, without waiving of releasing any default or obligation by Borrower, may (but shall be under no obligation to) with 30 days prior written notice to Borrower obtain and maintain such insurance and pay the premium therefor on behalf of Lessee and charge the premium to Borrower's Indebtedness under this Agreement. The Borrower hereby assigns and sets over unto Secured Party all monies which may become payable on account of any insurance required hereunder and directs the insurers to pay the Secured Party any amounts so due to the extent said monies are not used to repair or replace the Equipment; provided that if the Lease is terminated in whole or in part as the result of said loss, damage or destruction, then the Secured Party shall receive all of the insurance proceeds applicable thereto to the full extent of said termination and such proceeds shall be applied against the Note as follows: (a) to pay accrued, unpaid interest, (b) to pay any unpaid overdue installments of principal and (c) to prepayment of unpaid principal without prepayment penalty or premium; any unapplied balance of such proceeds shall be paid to Borrower. Upon any such prepayment of less than the full amount of the Note, the prepayment shall be applied so as to reduce the remaining installments of principal and interest on the Note, pro-rata, to permit their amortization from the remaining Lease Payments as nearly as is practicable under the circumstances. Borrower may pre-pay the Note in the event the Lessee exercises an early termination option, or pays the Stipulated Loss Value if any, under the Lease.

5. Borrower agrees to indemnify and save Secured Party harmless from any loss, damage or expense, including attorneys' fees, incurred by secured Party as a result of Borrower's breach of any of the warranties described in Section 2 of this Agreement, the Note, or the Lease. The indemnity set forth in this Section 5 shall survive the expiration or earlier termination of this Agreement with respect to acts or events occurring or alleged to have occurred prior to such expiration or earlier termination.

6. If (i) Borrower defaults in the payment of any principal or interest payable under the Note for more than ten (10) days after Secured Party has given notice of such default to

Borrower, (ii) Borrower defaults in the payment or performance of any other obligation of Borrower hereunder or under the Note for more than thirty (30) days after Secured Party has given notice of such default to Borrower, (iii) any representation or warranty made herein by Borrower shall prove to have been false or misleading in any material respect as of the date hereof or to have been breached and is not cured within thirty (30) days after Secured Party has given notice to Borrower thereof, of (iv) an Event of Default (as defined in the Lease) occurs under the Lease and is not cured by Lessee within the grace period, if any, provided in the Lease or within thirty (30) days after Secured Party has given notice of such default to Borrower, whichever is the last to occur (provided that Borrower's right to cure of Event of Default under the Lease may be exercised only twice during each calendar year), then, if any event described in the above clauses (i) through (iv) shall be continuing, Secured Party may at its option declare the Note to be immediately due and payable in full, whereupon the unpaid principal of and accrued interest on the Note shall become immediately due and payable and Secured Party may exercise all rights and remedies (not inconsistent with the terms of the Schedule, the Master Lease as it relates to the Schedule, the Note or this Agreement) with respect to the Collateral as are available to it under said agreements and instruments and applicable law. The Secured Party shall be entitled to reimbursement from the proceeds by Secured Party from Secured Party's right, title and interest in and to the Collateral for all reasonable costs, attorneys' fees and legal expenses incurred by it in exercising such rights and remedies. The Secured Party agrees to pay forthwith to Borrower any surplus remaining from the Collateral after payment of all Indebtedness, including without limitation said costs, fees and expenses.

7. The Secured Party agrees that (i) its security interest and rights hereunder are subject to the rights of the Lessee under the Lease with respect to the Equipment; (ii) Borrower has and shall have no personal liability or obligation with respect to payment of the Indebtedness, which is to be payable solely from proceeds received by Secured Party from Secured Party's right, title and interest in and to the Collateral, except that Borrower shall have personal liability for its indemnities herein and any loss, costs, expense or other liability or damage incurred or suffered by Secured Party arising out or as a result of a breach of Borrower's representations, warranties, agreements or indemnities herein (except only Borrower's agreement to pay principal and interest on the Note) and the payment by Borrower of any such liability or damage shall not be limited to the proceeds from the Collateral; (iii) upon payment of the Note in

full, the Secured Party shall cancel the Note, this Agreement and assign or release, as Borrower may direct the related financing statements, if any, and shall promptly deliver all such documents together with the Schedule to the Borrower; and (iv) the Borrower may transfer its interest in the Collateral, directly or indirectly, to any corporation or partnership organized under the laws of the United States or any state thereof or any citizen(s) of, who reside in, the United States as long as any such transfers are made expressly subject and subordinate to the prior interests of the Secured Party created by this Agreement, pursuant to a written agreement satisfactory in form and substance to Secured Party. No such transfer shall have the effect of releasing the Borrower from any of its obligations hereunder or under the Lease.

8. This Agreement and the Note shall be contracts made under and governed by the laws of the state of California. Whenever possible, each provision of the Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent and duration of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of the Agreement. Any notice required or given hereunder shall be deemed properly given (i) five business days after mailed, certified mail, return receipt requested, postage prepaid, addressed to the designated recipient at its address set forth above or such other address as such party may advise by notice given in accordance with this provision or (ii) upon receipt by the party to whom addressed if given in writing by personal delivery, commercial courier service, telecopy or other means which provides a permanent record or the delivery of such notice.

9. Except as provided in Section 4 hereof, the Note may not be prepaid unless pursuant to terms mutually agreed to by both Secured Party and Borrower.

10. Secured Party may in its sole discretion waive a default, or cure, at Borrower's expense, a default. Any such waiver in a particular instance or of a particular default shall not be a waiver of other defaults or the same kind of default at another time. No modification or change in this Agreement or any related Note, instrument or agreement shall be effective unless in writing signed by the party to be bound. No oral agreement shall be binding.

11. If permitted by law, Borrower authorizes Secured Party to file a financing statement with respect to the Collateral signed only by Secured Party and to file a carbon, photograph or other reproduction of this Agreement or of a financing statement for such purpose.

12. This Agreement shall be binding upon, and shall inure to the benefit of the successors and assigns of the Borrower and the Secured Party. The Secured Party agrees that, in the event of any transfer by it of the Note, it will endorse thereon a notation as to the portion of the principal of the Note which shall have been paid at the time of such transfer and as to the date to which interest shall have been last paid thereon.

13. The special provisions, if any, to the Security Agreement, and the description of the Equipment and the full definition of the term "Equipment" set forth in Exhibit "A" hereto and are hereby incorporated by reference and made a part of this Agreement as if fully set forth herein.

IN WITNESS WHEREOF, Borrower, and Secured Party have duly executed and delivered this Agreement as of the day and year first above written.

ATEL Cash Distribution Fund (Borrower)

By: *Dean Cash*

Name: Dean Cash

Title: General Partner

Sworn to and subscribed before me  
this 5 day of March 1990

THE CIT GROUP/EQUIPMENT FINANCING,  
INC. (SECURED PARTY)

By: *J.P. Groves*

Name: John P Groves

Title: Assistant Vice President

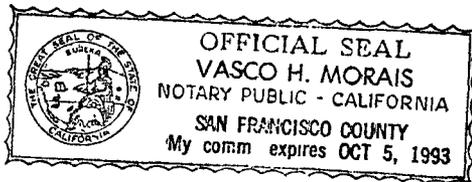
RENEE MONIQUE POULIOT  
Notary Public, Upper Merion Twp, Montg Co  
My Commission Expires May 18, 1992

(This Security Agreement may not be used in Texas.)

[PROPER FORM OF ACKNOWLEDGMENT FOR INDIVIDUAL AS GENERAL PARTNER]

STATE OF California                    )  
  ): SS.  
COUNTY OF San Francisco            )

On February 23, 1990, before me, Vasco H. Morais, personally appeared Dean Cash, personally known to me to be a general partner of the partnership of ATEL Cash Distribution Fund and to be the person who executed the foregoing Security Agreement (Chattel Mortgage and Assignment of Lease) in the partnership name, and who acknowledged that the partnership executed the same as the act and deed of said partnership for the uses and purposes therein mentioned.



*Vasco H. Morais*  
\_\_\_\_\_  
(Notary Public)

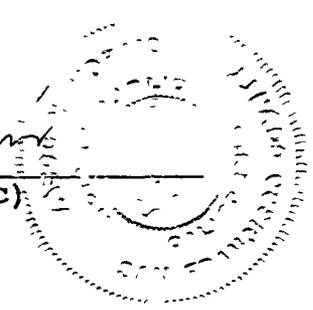


Exhibit A to  
Security Agreement  
dated as of February 23, , 1990

**EQUIPMENT DESCRIPTION**

25 DOT 114J340W 48,000 gallon railraod tank cars  
with reporting marks:

CCBX-4800-4802  
CCBX-4805-4810  
CCBX-4812-4818  
CCBX-4820, 4823, 4824  
CCBX-4826, 4827, 4829  
CCBX-4830, 4832, 4833

**EQUIPMENT LOCATION**

Houston, Texas and various locations through  
the United States and Canada

EXHIBIT B  
LEASE AGREEMENT NO. ATEL/VLSTAL

This Lease Agreement is made as of December 1, 1987 between ATEL FINANCIAL CORPORATION with its principal office at 160 SANSOME STREET, 7TH FLOOR, SAN FRANCISCO, CA 94104 (the "Lessor"), and VISTA CHEMICAL COMPANY with its principal office at 15990 No. Baker's Landing Rd., Houston, TX 77224 ("the Lessee"). The parties hereto agree as follows:

**1. Lease:**

Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the equipment (the "Equipment") described in Equipment Schedule(s) attached hereto. Any reference to "Lease" shall mean this Lease Agreement, the Equipment Schedule(s) and Rider(s) thereto, if any.

**2. Definitions:**

- (a) The "Installation Date" means the date determined in accordance with the applicable Equipment Schedule.
- (b) The "Commencement Date" means, as to the Equipment designated on any Equipment Schedule where the Installation Date for such Equipment falls on the first day of a calendar quarter, that date, or, in any other case, the first day of the calendar quarter following the quarter in which such Installation date falls.
- (c) The "Periodic Rental" means the amount(s) indicated as the Periodic Rental(s), due as monthly, quarterly, semiannual, or annual payments, in advance or in arrears, as set forth in detail in the applicable Equipment Schedule.
- (d) The "Daily Rental" means 1/30th of the amount set forth as the monthly rental in applicable Equipment Schedule.

**3. Term of Lease:**

The term of this Lease, as to all Equipment designated on any Equipment Schedule, shall commence on the Installation Date for such Equipment, and shall continue for an initial period ending that number of months from the Commencement Date as is specified on the applicable Equipment Schedule (the "Initial Term"). The term of this Lease for all such Equipment shall be automatically extended for successive periods until terminated by either party giving to the other not less than six months' prior written notice of termination. Any such termination shall be effective only on the last day of the Initial Term or the last day of any such successive period.

**4. Rental:**

The Periodic Rental payable hereunder is as set forth in the Equipment Schedules(s). Rental shall begin to accrue on the Installation Date and shall be due and payable by Lessee on the first day of each period (advance) or the last day (arrears) of each period, as set forth in the applicable Equipment Schedule. If the Installation Date does not fall on the first day of a calendar quarter, the rental for that period of time from the Installation Date until the Commencement Date shall be an amount equal to the Daily Rental multiplied by the number of days from (and including) the Installation Date to (but not including) the Commencement Date and shall be due and payable on the first day of each month until the Commencement Date. In addition to the Periodic Rental set forth in Equipment Schedule (s), Lessee shall pay to Lessor an amount equal to all taxes paid, payable or required to be collected by Lessor, however designated, which are levied or based on the rental, on the Lease or on the Equipment or on its purchase for lease hereunder, or on its use, lease, operation, control or value (including, without limitation, state and local privilege or excise taxes based on gross revenue), any penalties or interest in connection therewith or taxes or amounts in lieu thereof paid or payable by Lessor in respect of the foregoing, but excluding taxes based on Lessor's net income. Personal property taxes assessed on the Equipment during the term hereof shall be paid by Lessee. Lessee agrees to file, on behalf of Lessor, all required property tax returns and reports concerning the Equipment with all appropriate governmental agencies, and, within not more than 30 days after the due date of such filing to send Lessor confirmation

of such filing.

Interest on any past due payments shall accrue at the rate of 1 1/2% per month, or if such rate shall exceed the maximum rate allowed by law, then at such maximum rate, and shall be payable on demand. Charges for taxes, penalties and interest shall be promptly paid by Lessee when invoiced by Lessor.

**5. Installation, Use and Quiet Possession of Equipment:**

- (a) Lessee, at its own expense, will provide the required suitable electric current to operate the Equipment and appropriate installation facilities as specified by the manufacturer.
- (b) Any equipment, cards, disks, tapes or other items not specified in the Equipment Schedules(s) which are used on or in connection with the Equipment must meet the specifications of the manufacturer and shall be acquired by Lessee at its own expense.
- (c) Lessee shall be entitled to unlimited usage of the Equipment without extra charge by Lessor.
- (d) Lessee will at all times keep the Equipment in its sole possession and control. The Equipment shall not be moved from the location stated in the applicable Equipment Schedule without the prior written consent of Lessor (said consent not to be unreasonably withheld).
- (e) After prior notice to Lessor, Lessee may, at its own expense, make alterations in or add attachments to the Equipment, provided such alterations or attachments do not interfere with the normal and satisfactory operation or maintenance of the Equipment or with Lessee's ability to obtain and maintain the maintenance contract required by Section 5(h) hereof. The manufacturer or other organization selected by Lessee and approved in writing by Lessor to maintain the Equipment ("Maintenance Organization") may incorporate engineering changes or make temporary alterations to the Equipment upon request of Lessee. All such alterations and attachments shall be and become the property of Lessor, or at the option of Lessee, shall be removed by Lessee and the Equipment restored, at Lessee's expense, to its original condition as of the Installation Date thereof, reasonable wear and tear only excepted, and upon the removal and restoration, the alteration and/or attachment which was made by Lessee shall become the property of Lessee.
- (f) So long as Lessee is not in default hereunder, Lessor shall not interfere with Lessee's use or possession of the Equipment during the term of this Lease.
- (g) Lessee shall, during the term of this Lease, at its expense, keep the Equipment in good working order and condition and make all necessary adjustments, repairs and replacements and shall not use or permit the Equipment to be used in any manner or for any purpose for which, in the opinion of the manufacturer, the Equipment is not designed or reasonably suitable.
- (h) Lessee shall, during the term of this Lease, at its own expense, maintain the equipment, or cause it to be maintained, to acceptable industry standards, so that at all times the Equipment will be suitable for railroad interchange.
- (i) At the termination of the applicable Equipment Schedule, Lessee shall, at its expense, return the Equipment subject thereto to Lessor (at the location designated by Lessor within the Continental United States) in the same operating order, repair, condition and appearance as on the Installation Date, reasonable wear and tear only excepted, with all engineering and safety changes prescribed by the manufacturer or Maintenance Organization incorporated therein. Lessee shall, prior to such termination, arrange and pay for any repairs and changes as are necessary for the manufacturer or Maintenance Organization to accept the Equipment under contract maintenance at its then standard rates.

**6. Leasehold Rights and Inspection:**

- (a) Lessee shall have no interest in the Equipment other than the rights acquired as a lessee hereunder and the Equipment shall remain personal property regardless of the manner in which it may be installed or attached. Lessee shall, at Lessor's request, affix to the Equipment, tags, decals or plates furnished by Lessor,

indicating Lessor's own ip and Lessee shall not permit their removal or concealment.

- (b) Lessee shall keep the Equipment free and clear of all liens and encumbrances except liens or encumbrances arising through the actions or omissions of Lessor. Lessee shall not assign or otherwise encumber this Lease or any of its rights hereunder or sublease the Equipment without the prior written consent of Lessor (said consent not to be unreasonably withheld) except that Lessee under documentation satisfactory to Lessor may assign this Lease or sublease the Equipment to its parent or any subsidiary corporation, or to a corporation which shall have acquired all or substantially all of the property of Lessee by merger, consolidation or purchase. No permitted assignment or sublease shall relieve Lessee of any of its obligations hereunder.
- (c) Lessor or its agents shall have free access to the Equipment at all reasonable times for the purpose of inspection and for any other purpose contemplated in this Lease.
- (d) Lessee shall immediately notify Lessor of all details concerning any damage to, or loss of, the Equipment arising out of any event or occurrence whatsoever, including but not limited to, the alleged or apparent improper manufacture, functioning or operation of the Equipment.

#### 7. No Warranties By Lessor:

Lessee represents that, at the Installation Date thereof, it shall have (a) thoroughly inspected the Equipment; (b) determined for itself that all items of Equipment are a size, design, capacity and manufacture selected by it; and (c) satisfied itself that the Equipment is suitable for Lessee's purposes. Lessor supplies the equipment as is and not being the manufacturer of the equipment, the manufacturer's agent or the seller's agent, makes no warranty or representation, either express or implied as to the equipment's merchantability, fitness for a particular purpose, design, condition, quality, capacity, material or workmanship or as to patent infringement or the like, on it being agreed that all such risks, as between Lessor and Lessee, are to be borne by Lessee. Lessee agrees to look solely to the manufacturer or to suppliers of the Equipment for any and all warranty claims and any and all warranties made by the manufacturer or the supplier of Lessor are, to the extent to which the same may be assignable, hereby assigned to Lessee for the term of the applicable Equipment Schedule. Lessee agrees that Lessor shall not be responsible for the delivery, installation, maintenance, operation or service of the Equipment or for delay or inadequacy of any or all of the foregoing. Lessor shall not be responsible for any direct or consequential loss or damage resulting from the installation, operation or use of the Equipment or otherwise. Lessee will defend, indemnify and hold Lessor harmless against any and all claims, demands and liabilities arising out of or in connection with the design, manufacture, possession or operation of the Equipment.

#### 8. Risk of Loss on Lessee:

- (a) Beginning on the Installation Date thereof and continuing until the Equipment is returned to Lessor as provided in this Lease, Lessee relieves Lessor of responsibility for all risks of physical damage to or loss or destruction of the Equipment, howsoever caused. During the term of this Lease as to any Equipment Schedule, Lessee shall, at its own expense, keep in effect all risk and public liability insurance policies covering the Equipment designated in each Equipment Schedule. The public liability insurance policy shall be in such amount as is reasonably acceptable to Lessor. The all risk insurance policy shall be for an amount not less than the replacement cost of the Equipment. Lessor, its successors and assigns and/or such other party as may be designated by any thereof to Lessee, in writing, shall be named as additional insureds and/or loss payees on such policies, which shall be written by an insurance company of recognized responsibility which is reasonably acceptable to Lessor. Evidence of such insurance coverage shall be furnished to Lessor no later than the Installation Date set forth in the Equipment Schedule(s) and, from time to time, thereafter as Lessor may request. Such policies shall provide that no less than ten days written notice shall be given Lessor and any other party named as loss payee prior to cancellation of such policies for any reason. Lessee hereby irrevocably appoints Lessor or any other party named as loss payee as Lessee's attorney-in-fact coupled with an interest to make claim for, receive payment of, and execute any and all documents that may be required to be provided to the insurance carrier in substantiation of any such claim for loss or damage under said insurance policies, and to endorse Lessee's name to any and all drafts or checks in payment of the loss proceeds.
- (b) If any item of Equipment is rendered unusable as a result of any physical damage to, or destruction of, the

Equipment, Lessee shall give to Lessor immediate notice thereof and this Lease shall continue in full force and effect without any abatement of rental. Lessee shall determine, within fifteen (15) days after the date of occurrence of such damage or destruction, whether such item of Equipment can be repaired. In the event Lessee determines that the item of Equipment cannot be repaired, Lessee at its expense shall promptly replace such item of Equipment and convey title to such replacement to Lessor free and clear of all liens and encumbrances, and this Lease shall continue in full force and effect as though such damage or destruction had not occurred. In the event Lessee determines that such item of Equipment can be repaired, Lessee shall cause such item of Equipment to be promptly repaired. All proceeds of insurance received by Lessor, the designated loss payee, or Lessee under the policy referred to in the preceding paragraph of this Section shall be applied toward the cost of any such repair or replacement so long as Lessee shall not be in default of its obligations hereunder:

#### 9. Events of Default and Remedies:

The occurrence of any one of the following shall constitute an Event of Default hereunder.

- (a) Lessee fails to pay any installment of rent on or before the date when the same becomes due and payable.
- (b) Lessee attempts to remove, sell, transfer, encumber, sublet or part with possession of the Equipment or any items thereof, except as expressly permitted herein.
- (c) Lessee shall fail to observe or perform any of the other obligations required to be observed or performed by Lessee hereunder and such failure shall continue uncured for ten (10) days after written notice thereof to Lessee by Lessor or the then assignee hereof.
- (d) Lessee ceases doing business as a going concern, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts as they become due, files a voluntary petition in bankruptcy, is adjudicated a bankrupt or an insolvent, files a petition seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar arrangement under any present or future statute, law or regulation or files an answer admitting the material allegations of the petition filed against it in any such proceeding, consents to or acquiesces in the appointment of a trustee, receiver, or liquidator of it or of all or any substantial part of its assets or properties, or if it or its shareholders shall take any action looking to its dissolution or liquidation.
- (e) Within 30 days after commencement of any proceedings against Lessee seeking reorganization, arrangement, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceedings shall not have been dismissed, or if within 30 days after the appointment without Lessee's consent or acquiescence of any trustee, receiver or liquidator of it or of all or any substantial part of its assets and properties, such appointment shall not be vacated.

Upon the occurrence of an Event of Default, Lessor may at its option do any of the following: (i) by notice to Lessee terminate this Lease as to any or all Equipment Schedules; (ii) whether or not this Lease is terminated as to any or all Equipment Schedules, take possession of any or all of the Equipment listed on any or all Equipment Schedules, wherever situated, and for such purpose, enter upon any premises without liability for so doing or Lessor may cause Lessee and Lessee hereby agrees, to return said Equipment to Lessor as provided in this Lease; (iii) recover from Lessee, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the present value of all monies to be paid by Lessee during the remaining Initial Term or any successive period then in effect, calculated by discounting at the rate of six percent (6%) per annum compounded monthly, which payment shall become immediately due and payable; and (iv) sell, dispose of, hold, use or lease any Equipment as Lessor in its sole discretion may determine (and Lessor shall not be obligated to give preference to the sale, lease or other disposition of the Equipment over the sale, lease or other disposition of similar equipment owned or leased by Lessor).

In the event that Lessee shall have first paid to Lessor or its assigns the liquidated damages referred to in (iii) above, the party having received such liquidated damages shall pay to Lessee, promptly after receipt thereof, all

rentals or proceeds received from reletting, sale or other disposition of the Equipment during the balance of the Initial Term (after deduction of all expenses incurred in connection therewith) said amount never to exceed the amount of the liquidated damages paid by Lessee. Lessee agrees that Lessor shall have no obligation to sell the Equipment. Lessee shall in any event remain fully liable for reasonable damages as provided by law and for all costs and expenses incurred by Lessor or its assigns on account of such default including but not limited to all court costs and reasonable attorney's fees. Lessee hereby agrees that, in any event, it will be liable for any deficiency after any lease or other disposition of the Equipment. The rights afforded Lessor hereunder shall not be deemed to be exclusive, but shall be in addition to any rights or remedies provided by law.

#### 10. Net Lease:

Except as otherwise specifically provided in this Lease, it is understood and agreed that this is a net lease, and that, as between Lessor and Lessee, Lessee shall be responsible for all costs and expenses of every nature whatsoever arising out of or in connection with or related to this Lease or the Equipment (including, but not limited to, transportation in and out, rigging, drayage, packing, installation and disconnect charges). Lessee hereby agrees that in the event that Lessee fails to pay or perform any obligation under this Lease, Lessor may, at its option, pay or perform said obligation and any payment made or expense incurred by Lessor in connection therewith shall become additional rent which shall be due and payable by Lessee upon demand.

#### 11. Assignment:

Lessee agrees that Lessor may transfer or assign all or any part of Lessor's right, title and interest in, under or to the Equipment and this Lease and any or all sums due or to become due pursuant to any of that above, to any third party (the "Assignee") for any reason and the Assignee may so re-assign and transfer. Lessee agrees that upon receipt of written notice from Lessor or Assignee of such assignment, Lessee shall perform all of its obligations hereunder for the benefit of Assignee and any successor assignee and, if so directed shall pay all sums due or to become due hereunder directly to the Assignee or to any other party designated by the Assignee. Lessee hereby covenants, represents and warrants as follows and agrees that the Assignee and any successor assignee shall be entitled to rely on and shall be considered a third party beneficiary of the following covenants, representations and warranties: (i) Lessee's obligations hereunder are absolute and unconditional and are not subject to any abatement, reduction, recoupment, defense, offset or counterclaim available to Lessee for any reason whatsoever including operation of law, defect in the Equipment, failure of Lessor or Assignee to perform any of its obligations hereunder or for any other cause or reason whatsoever, whether similar or dissimilar to the foregoing; (ii) Lessee shall not look to Assignee or any successor assignee to perform any of Lessor's obligations hereunder; (iii) Lessee will not amend or modify this Agreement without the prior written consent of the Assignee; and (iv) Lessee will send a copy to Assignee and any successor assignee of each notice which Lessee sends to Lessor.

Upon receipt of notice of any such assignment, Lessee agrees to execute and deliver to Lessor such documentation as Assignee or any successor assignee may require, including but not limited to (i) an acknowledgment of, or consent to, assignment which may require Lessee to make certain representations or reaffirmations as to some of the basic terms and covenants contained in this Lease; (ii) an opinion of counsel for Lessee; and (iii) a Certificate of Delivery and Acceptance. Nothing contained in such documentation required by Assignee shall be in derogation of any of the rights granted to Lessee hereunder. Notwithstanding such assignment: (i) Lessor shall not be relieved of any of its obligations hereunder; and (ii) the rights of Lessee hereunder shall not be impaired.

#### 12. Miscellaneous:

- (a) No consent or approval provided for herein shall be binding upon Lessor unless signed on its behalf by an officer of Lessor. This agreement shall be deemed to have been made in the State of California and shall be governed in all respects by the laws of such State.
- (b) This Lease constitutes the entire agreement between Lessee and Lessor with respect to the Equipment, and no covenant, condition or other term or provision hereof may be waived or modified orally.
- (c) All notices hereunder shall be in writing and shall be delivered in person or sent by registered or certified mail, postage prepaid, to the address of the other party as set forth herein or to such other address as such party shall have designated by proper notice.

- (d) This Lease shall be binding upon and inure to the benefit of Lessor and Lessee and their respective successors and assigns (including any subsequent assignee of Assignee).
- (e) If any term or provision of this Lease or the application thereof to any person is, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of such provision to the person other than those to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.
- (f) No waiver of any of the terms and conditions hereof shall be effective unless in writing and signed by the party against whom such waiver is sought to be enforced. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.
- (g) Lessor is hereby authorized by Lessee to cause this Lease or other instruments, including Uniform Commercial Code Financing Statement, to be filed or recorded for the purpose of showing Lessor's interest in the Equipment and Lessee agrees that Lessor may execute such instruments for and on behalf of Lessee.
- (h) In the event of any conflict between the terms and conditions of this Lease Agreement and the terms and conditions of any Equipment Schedule(s) or Rider (s) thereto, the terms and conditions of such Equipment Schedule(s) or Rider(s) shall prevail.
- (i) Each year during the term of this Lease, Lessee hereby agrees to deliver to Lessor or Assignee and any successor assignee a copy of Lessee's annual audited financial statements within a reasonable time after said statements are available.
- (j) The obligations which Lessee is required to perform during the term of this Lease shall survive the expiration or other termination of this Lease.

13. Ownership.

The equipment shall at all times remain the property of Lessor. Lessee will at all times protect and defend at its own cost and expense, the ownership of Lessor against all claims, liens and legal processes of creditors of Lessee and other persons, and keep the equipment free and clear from all such claims, liens and processes. The equipment is and shall remain personal property, and not part of any real estate.

ATEL FINANCIAL CORPORATION

BY: Dean Cash

TITLE: EVP

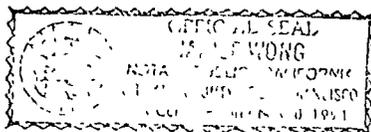
VISTA CHEMICAL COMPANY

BY: David G. Kuhn *DK*

TITLE: Vice President

/DOCS/VISTA.LAN

On this 8th day of March, in the year 1988, before me personally appeared Dean Cash, personally known to me to be the person who executed the within instrument on behalf of the corporation therein named and acknowledged to me that the corporation executed it.



*James Wong*  
 my commission expires  
 November 8, 1991

**RIDER NO. 1  
TO LEASE AGREEMENT NO. ATEL/VISTA 1 (the "Lease")**

**Depreciation Indemnity:**

- A. If as a result of any misrepresentation or any act or failure to act of Lessee occurring or failing to occur on or after the Installation Date, Lessor or its assignee, if any: shall not be entitled for each of its taxable years (or portions thereof) in which the above referenced Lease is in effect, to a depreciation deduction with respect to the full cost of the Equipment which is based on a method of accelerated depreciation available under the Accelerated Cost Recovery System provided by Section 168 or successor provisions of the Code, then Lessee agrees to pay Lessor or said assignee upon demand a sum which, after deduction of all tax required to be paid by lessor or said assignee in respect of the receipt thereof, shall be equal to an amount equal to the additional income taxes paid or payable by Lessor, or said assignee, in consequence of the failure to obtain the benefit of a depreciation deduction on the aforesaid basis, together with any interest or penalty which may be assessed in connection with any of the foregoing. Lessee shall not be required to pay Lessor or said assignee the additional moneys pursuant to this paragraph B, if the loss or disallowance depreciation deduction or the right to claim the same shall result solely because of the occurrence of any of the following events: (i) Lessor or said assignee shall fail to claim such depreciation deduction in its income tax returns for the appropriate year or shall fail to follow the proper procedure in claiming such depreciation deduction, and such failure to claim or to follow such procedure, as the case may be, shall preclude Lessor or said assignee from claiming such depreciation deduction; (ii) Lessor or said assignee shall fail to have sufficient income to benefit from the depreciation deduction; or (iii) Lessor or said assignee shall at any time when no Event of Default has occurred and is continuing, without the written consent of Lessee, voluntarily transfer legal title to the Equipment, or any portion thereof to another, and such transfer by Lessor or said assignee shall be the direct cause of such loss.
- B. The provisions of this Rider shall survive the expiration or earlier termination of the Lease.

ATEL FINANCIAL CORPORATION

By: *Dean Cook*

Title: EVP

Date: 1/25/88

VISTA CHEMICAL COMPANY

By: *David A. Kuhn* *PBB*

Title: Vice President

Date: 1-25-88

EQUIPMENT SCHEDULE NO. 1

TO

LEASE AGREEMENT NO. ATEL/VISTA1 (the "Lease")

1. Equipment:

25 DOT 114J340W 48,000 gallon railroad tank cars  
 Reporting Marks: CCBX 4800-4802  
 CCBX 4805-4810  
 CCBX 4812-4818  
 CCBX 4820, 4823, 4824  
 CCBX 4826, 4827, 4829  
 CCBX 4830, 4832, 4833

Spare Parts: Two modified Span Bolsters: UR-2, UB-21,  
 located at Safety Railway, Victoria, TX

2. Equipment Location: Houston, Texas

3. Installation Date:

(a) in the case of Equipment which is the subject of a sale and Leaseback between Lessor and Lessee, the date upon which Lessor purchases such Equipment from Lessee; or

(b) in the case of Equipment requiring installation, the earlier to occur of the following: (i) the date determined by the manufacturer of Maintenance Organization to be the date of installation; or (ii) the seventh (7th) day following delivery of the Equipment to the location set forth in Paragraph 2 hereof.

4. Commencement Date: March 31, 1988

5. Initial Term: 60 months

6. Periodic Rental: One payment of \$30,428.30 on the Commencement Date, followed by 58 consecutive monthly payments of \$15,214.15 beginning the last day of the first month following commencement. The Periodic Rental set forth in this paragraph is conditional upon Lessor acquiring the Equipment at a purchase price of \$850,000 ("Estimated Price"). Lessor and Lessee agree that the Periodic Rental shall be increased or decreased, commencing on the Installation Date, by \$17.899 for each full \$1,000 by which the actual purchase price paid by Lessor is greater or lesser than Estimated Price. Lessor shall provide a Notification of Rental Adjustment to Lessee should the actual purchase price differ from the Estimated Price.

7. Lease Agreement: All of the terms, covenants and conditions set forth in the Lease are incorporated herein by reference as if the same had been set forth herein in full.

ATEL FINANCIAL CORPORATION

By: [Signature]

Title: EVP

Date: 1/25/88

VISTA CHEMICAL COMPANY

By: [Signature]

Title: Vice President

Date: 1-25-88

(X)

SPECIFICATIONS - 48,000 GALLON DOT 114J340W TANK CARS

DOT class 114J340W

~~Minimum~~ + Clearance PLATE F JACKETED (HM-144)

8 Axle Double 100 ton trucks with 36" wheels

Normal shell capacity	48,100 gallons
Maximum gross weight on rail	525,000 lbs.
Normal tare (light) weight	175,000 lbs.
Normal loading weight	351,000 lbs.
Length over stake plates	88' 4"
Car body bolster centers (truck centers)	55' 10"
Truck centers on span bolsters	12' 0"
Truck axle centers	5' 10"
Extreme height	15' 6"
Extreme width	10' 5"
Minimum radius of track curvature	150 ft.
Two like cars coupled together	119 ft.
Tank car on tangent with standard car on curve	139 ft.
Vertical curve	390 ft.
Tank test pressure	340 psi
Safety valve test pressure	280.5 psi
Tank inside diameter	119.0 inches
Angle valves	3 - 2" x 3"
Safety valve	1 - 280.5 psi
Magnetic tape gauge	1 - E-630

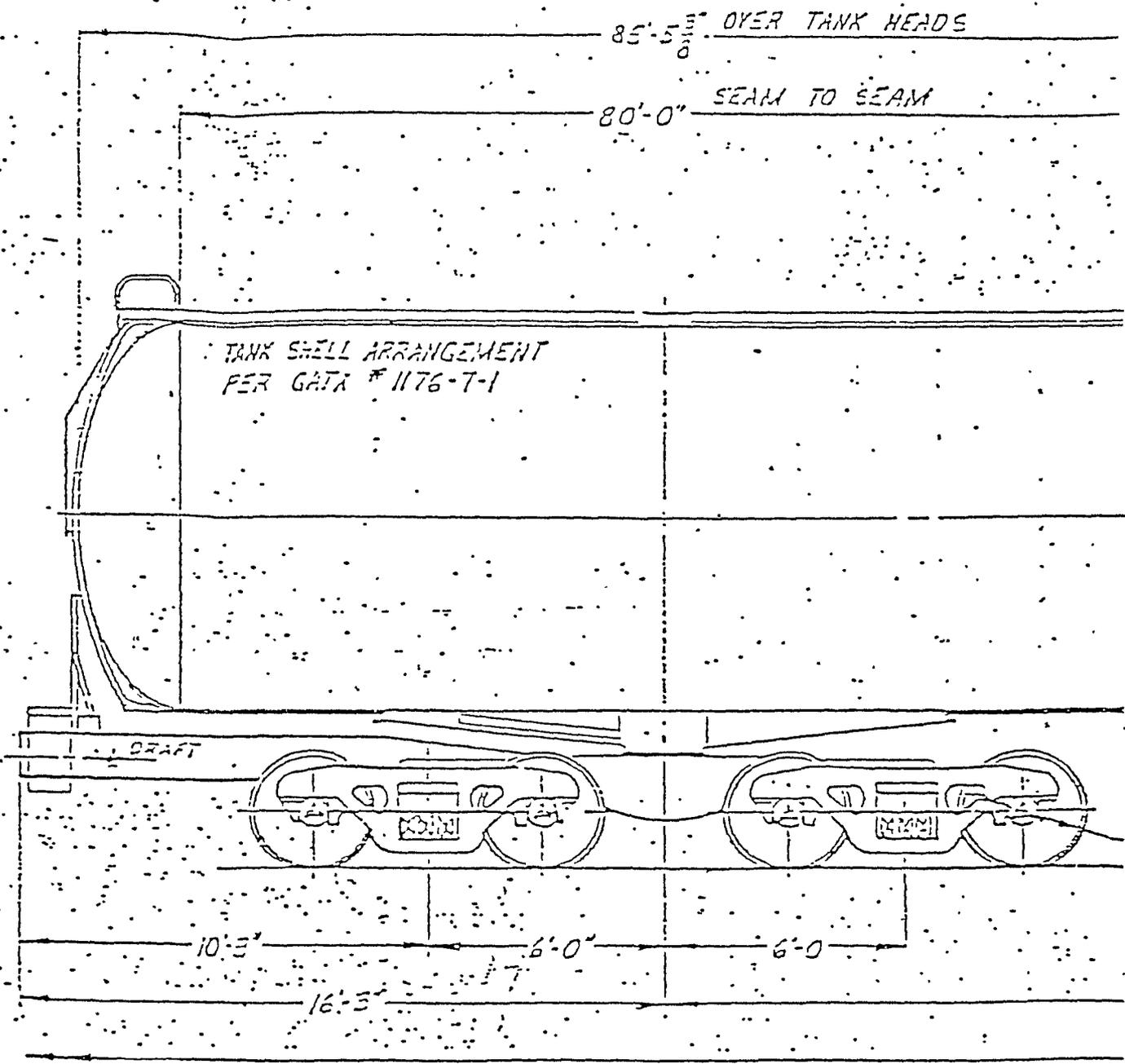
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A END

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NOTES:

1. CARS EQUIPPED WITH 36" DIA. WHEELS, DOUBLE 100 TON ROLLER BEARING (A&D WABCOFAC).
2. CARS CONFORM TO ALL REQUIREMENTS OF THE D.O.T., A.A.R. AND BUREAU OF EXPLOSIVES, EXCEPT FOR WIDTH (CARS ARE 7 1/2" OVER MAX. ALLOWAB).
3. SEE DRG. D-3993-A FOR JACKET ASSEMBLY.
4. SEE DRG. D-3994-A FOR JACKET SPACERS AND INSULATION.

TANK HEADS

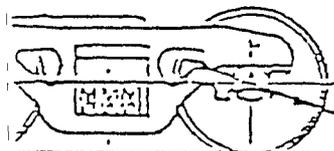
TO SEAM

1" THICK  
THERMAL BLANKET

120 1/4" O.D.  
TANK SHELL

CAR

CORT M.  
WITH 1/2"  
KROTHE



36" DIA. WHEEL

TOP OF RAIL

BLANK OFF BOTTOM  
OUTLET FLANGE PER  
CRG. C-1325-B

55'-10" TRUCK CENTERS

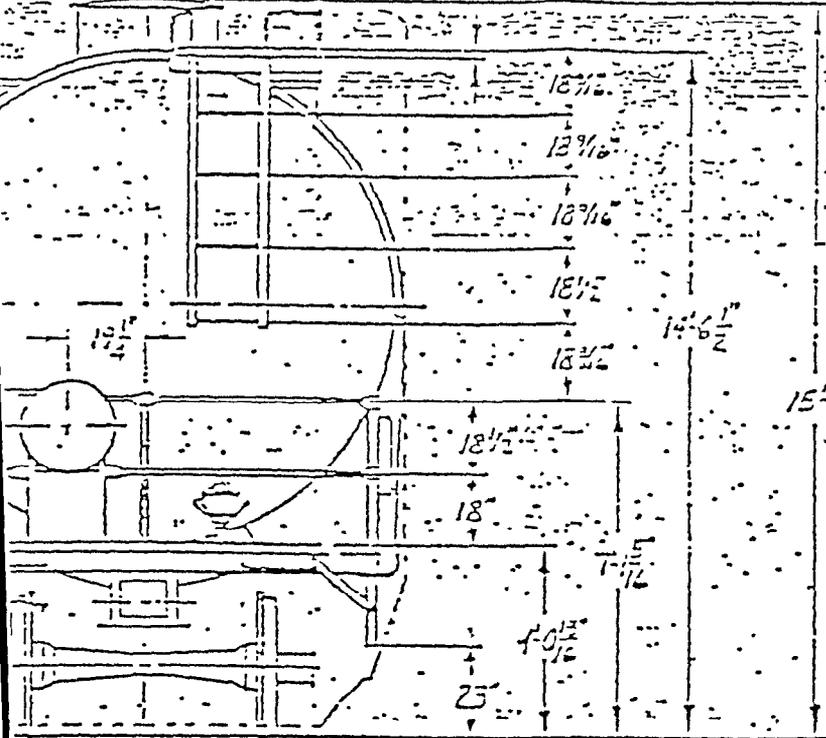
90'-11 1/2" COUPLED LENGTH

TON ROLLER BEARING TRUCKS

T. A.A.R. AND  
(OVER MAX. ALLOWABLE WID. H. AT CENTER, ON EACH SIDE)

INSULATION

R. PLATE F. EQUIPMENT  
 L. ARRANGEMENT DIAGRAM  
 (AT END SILL)



AAR APPLICATION NO. E-795000 - B

HM-144

FTH AMERICAN CAR CORP. DEPT. CHICAGO, ILL.	DRAWING NUMBER <b>D-3995</b>	REV. 1	DATE 12/7/73
		REV. 2	DATE 12/7/73
RAL ARRANGEMENT - 120" G.D. 10 GAL - DOT-114A340W	DATE 12-7-73	REV. 3	DATE 12/7/73
VERTED TO DOT-114J340W	SCALE 1/2" = 1'-0"	REV. 4	DATE 12/7/73

**DELIVERY AND ACCEPTANCE RECEIPT**

Whereas, VISTA CHEMICAL COMPANY ("Lessee") has, on 1-25, 1988, executed Schedule No. 1 to that certain Equipment Lease Agreement dated December 15, 1987, between itself and ATEL FINANCIAL CORPORATION ("Lessor"), AND

Whereas, said Schedule lists certain equipment leased hereunder;

Now, Therefore, Lessee acknowledges delivery, receipt and (where applicable) installation of all equipment listed on said Schedule, which equipment, delivery, and installation has been inspected and found satisfactory.

In addition, lessee has been advised by lessor that the equipment, merchandise and machinery covered by such lease is subject to the express disclaimer by lessor of all express warranties and all implied warranties including, without limitation, the implied warranties of merchantability and fitness for a particular purpose.

Lessee confirms that leased equipment and machinery is insured with the Lessor designated as Loss Payee.

Lessee confirms having received a copy of this acknowledgement contemporaneously with execution.

This disclaimer of express and implied warranties has been discussed between the undersigned and Lessor and has been specifically bargained for by the undersigned and Lessor with respect to the lease of the equipment, machinery and/or material particularly described in the Lease.

VISTA CHEMICAL COMPANY

By: David A. Kuhn *DKB*

Title: Vice President

Date: 1-25-88