

1-182A111

Transportation Equipment, Inc.

P.O. BOX 775 • WEIMAR, TEXAS 78962
PHONE: 409/725-9545 • TWX: 910-880-5176 • FAX: 409/725-6550

17402
JUL 1 1991

June 28, 1991

JUL 1 1991 - 3 45 PM

INTERSTATE COMMERCE COMMISSION

Ms. Mildred Lee
Recordation Unit
INTERSTATE COMMERCE COMMISSION
12th & Constitution Avenue NW
Washington, D.C. 20423

Dear Ms. Lee:

We are enclosing an original notarized Master Lease Agreement (Rail Cars) and one copy for recording along with our check for the \$15.00 fee.

This is a primary lease covering the following:

1. Lessor - GATX CAPITAL CORPORATION
Four Embarcadero Center, Suite 2200
San Francisco, CA 94111
2. Lessee - TRANSPORTATION EQUIPMENT, INC.
601 South East St.
Weimar, Texas 78962
3. Thirty (30) Tank Cars

TEIX 170	TEIX 224	TEIX 234
181	225	235
184	226	236
191	227	237
197	228	238
211	229	239
218	230	240
221	231	241
222	232	242
223	233	243

JUL 1 1991 16:43:56

Ms. Mildred Lee
June 28, 1991

Page 2

Many thanks for your assistance in this matter.

Yours truly,

TRANSPORTATION EQUIPMENT, INC.



William D. Fluker
Controller

WDF:nb

cc: Ms. Helen Bennett
GATX CAPITAL CORPORATION

Transportation Equipment, Inc.

P.O. BOX 775 • WEIMAR, TEXAS 78962
PHONE: 409/725-9545 • TWX: 910-880-5176 • FAX: 409/725-6550

June 28, 1991

Ms. Mildred Lee
Recordation Unit
INTERSTATE COMMERCE COMMISSION
12th & Constitution Avenue NW
Washington, D.C. 20423

Dear Ms. Lee:

Please note that our letter and attachments to this check were mailed in separate envelopes, but on the same day. Please call our office at (409) 725-9545 if both are not received.

Sincerely,

TRANSPORTATION EQUIPMENT, INC.


W.D. Fluker
Controller

WDF:nb

Interstate Commerce Commission
Washington, D.C. 20423

7/3/91

OFFICE OF THE SECRETARY

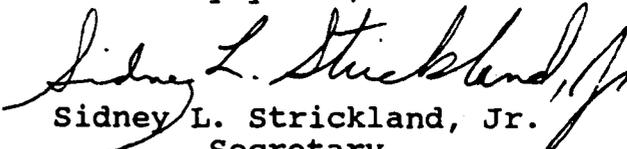
William D. Fluker
Transportation Equipment Inc
P.O.Box 775
Weimar, Texas 78962

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 7/1/91 at 3:45 , and assigned recordation number(s).

17402

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

17402

**MASTER EQUIPMENT LEASE AGREEMENT
(Rail Cars)**

**MAR 1 1991 3 45 PM
INTERSTATE COMMERCE COMMISSION**

This MASTER EQUIPMENT LEASE AGREEMENT (the "Lease"), is dated as of March 28, 1991 and effective as of August 31, 1989 (the "Effective Date"), between GATX CAPITAL CORPORATION, a Delaware corporation ("Lessor"), and TRANSPORTATION EQUIPMENT, INC., a Texas corporation ("Lessee").

RECITALS

Lessor and Lessee entered into a Management Agreement, dated as of August 23, 1984 (the "Prior Agreement") pursuant to which certain rail cars were provided to Lessee and leased to DuPont De Nemours, E.I. & Co., ("DuPont").

Prior to the Effective Date, DuPont notified Lessee of its intent to return such railcars.

Upon the return of these rail cars, the Prior Agreement terminated. Lessor desires to lease these cars to Lessee and Lessee desires to lease these cars from Lessor in accordance with the terms of this Lease.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1

DELIVERY AND LEASE OF CARS; TERM; EFFECTIVE DATE

1.1 Lessor shall lease those certain rail cars to Lessee (each, a "Car" and collectively, the "Cars") described in one of more schedules substantially in the form of Exhibit A hereto, and Lessee shall lease such Cars from Lessor beginning on the "Delivery Date" (as defined below) and ending on the date specified in the applicable Schedule.

1.2 Each of the Cars has been delivered to and accepted by Lessee as of the dates on which the Prior Agreement terminated with respect to such Car at such location as previously agreed to by Lessor and Lessee and set forth in the applicable Delivery Notice and each Schedule hereto. Lessor confirms as of the Effective Date, that, to its knowledge, the Cars were suitable for interchange pursuant to the current Interchange Rules as described in the Field Manual of the Interchange Rules of the Association of American Railroads ("AAR") (Mechanical Division, Operation and Maintenance Department) (January 1, 1989), or successor rules (the "Interchange Rules") and that, to its knowledge, the Cars had no defects as defined under the rules and regulations of the U.S. Department of Transportation, Federal Railroad Administration ("FRA").

1.3 The "Delivery Date" of each Car to Lessee under this Lease shall be the date such Car was returned to Lessee by DuPont. Each Car shall be considered accepted on its Delivery Date and rent therefor, as described herein and in the applicable Schedule, shall commence on the Delivery Date for such Car and be evidenced by a notice (a "Delivery Notice") from Lessee to Lessor specifying such date.

1.4 Notwithstanding the date of this Lease, the Lessee and Lessor acknowledge that the Cars have been delivered and agrees that this Lease shall be deemed effective on the Effective Date.

SECTION 2

RENTAL PAYMENTS

2.1 Lessee shall pay Lessor, at Lessor's address set forth in Section 13.1 hereof, the rent set forth in Section 3 of the applicable Schedule. Rent shall be prorated on a daily basis based on a month of 30 days for any partial month during the term of this Lease. If any rental payment date is a day other than a business day in the State of California, the rent otherwise payable on such date shall be payable on the next succeeding business day.

2.2 Invoices shall, if practicable, be issued approximately 15 days prior to the first day of each month by the Lessor or its agent, commencing with the first month after the first Delivery Date. Rent for each Car shall be payable on the Delivery Date of such Car (for the first month's rent) and thereafter on the first day of each consecutive month for the term of this Lease.

2.3 If any rental or other payment hereunder is not paid when due, Lessee shall pay interest thereon at a rate equal to the rate of interest publicly announced by The Chase Manhattan Bank (N.A.), at its principle San Francisco office, or its successor, as its prime or other comparable rate, as such rate may change from time to time (the "Prime Rate"), plus 3%, or if lower, the highest rate permitted by applicable law.

SECTION 3

REPRESENTATIONS AND WARRANTIES OF LESSOR

3.1 Lessor represents and warrants that it has the lawful right to lease the Cars to Lessee in accordance with the terms hereof.

3.2 THE LEASE OF EACH CAR IS "AS IS, WHERE IS." THE WARRANTY SET FORTH IN SECTION 3.1 HEREOF IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF LESSOR WHETHER WRITTEN, ORAL OR IMPLIED, AND LESSOR SHALL NOT BY VIRTUE OF HAVING LEASED THE CARS BE DEEMED TO HAVE MADE ANY OTHER REPRESENTATION OR WARRANTY OTHER THAN THE DESCRIPTIONS OF THE CARS SET FORTH AND HEREBY MADE BY LESSOR TO LESSEE IN EXHIBIT A HERETO.

SECTION 4

REPRESENTATIONS AND WARRANTIES OF LESSEE

Lessee represents and warrants as of the Effective Date that:

4.1 Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation.

4.2 Lessee has the full power, authority and legal right to execute and deliver this Lease and each Schedule and perform the terms hereof and thereof. This Lease has been, and each Schedule on execution thereof will be, duly authorized, executed and delivered and constitutes or will constitute, as the case may be, the valid and binding obligations of Lessee enforceable in accordance with its terms.

4.3 Neither the execution and delivery of this Lease or any Schedule nor the performance of the terms hereof or thereof by Lessee will contravene any law, regulation, judgment, order or permit affecting Lessee or result in any breach of, or constitute an event of default under, any contract or agreement, corporate charter or by-law or other instrument to which Lessee or any of its subsidiaries is a party or by which Lessee or any such subsidiary or any of its or their properties may be bound.

4.4 No consent of the shareholders or the trustee or holder of any indebtedness or obligation of Lessee is a condition to the performance of the terms of this Lease or any Schedule by Lessee or the validity of this Lease or such Schedule.

4.5 No notice to, filing with, or approval of, any governmental agency or commission is or will be required for the performance of the terms of this Lease or any Schedule by Lessee or for the validity or enforceability hereof or thereof.

4.6 There is no action or proceeding pending or, insofar as Lessee knows, threatened against Lessee or any of its subsidiaries before any court or administrative agency which might have a materially adverse effect on the business, condition or operations of Lessee or the performance by Lessee of the terms of this Lease or any Schedule.

4.7 No one acting by, through or under Lessee will have or be entitled to a lien, mortgage, charge, encumbrance, security interest or other adverse claim on or in respect of any Car, this Lease or any Schedule (individually, a "Lien" and collectively "Liens").

SECTION 5

POSSESSION AND USE OF CARS; MARKINGS

5.1 At all times during the term of this Lease, title to the Cars shall be vested in Lessor to the exclusion of Lessee, and the delivery of the Cars to Lessee and Lessee's possession thereof shall constitute a letting only. Notwithstanding the foregoing, Lessee may sublease the Cars with Lessor's prior written consent provided: (a) Lessor is given notice of the terms and conditions of such sublease; (b) no such sublease shall operate to relieve Lessee of any of its obligations hereunder; (c) the term of any such sublease does not extend beyond the term of this Lease; (d) an executed copy of any such sublease with a term (including potential renewals) which equals or exceeds one year, is provided to Lessor promptly after execution thereof by Lessee and the sublessee. Lessor hereby consents to the sublease of the Cars to Fina Oil and Gas Company ("Fina").

5.2 Except as set forth in Section 5.1 hereof, Lessee shall not assign or transfer or attempt to assign or transfer this Lease or any of Lessee's rights herein or in any Car without the prior written consent of Lessor, which shall not be unreasonably withheld.

5.3 Lessee shall not directly or indirectly, create or incur or suffer to be created or incurred or to exist any Lien of any kind on any Car (other than Liens which Lessee is contesting in good faith or subleases permitted under Section 5.1 hereof) or on any of its rights under this Lease, and if any such Lien shall come to exist, Lessee shall, at its sole cost and expense, promptly remove the same and provide Lessor such written evidence of such removal as Lessor may reasonably request.

5.4 Lessee shall, at Lessee's sole cost and expense, restencil and reregister the Cars with Lessee's AAR reporting marks and, on Lessor's request, stencil on the Cars words such as: "Property owned and leased by GATX Capital Corporation", on acceptance of each Car under this Lease and file an addendum to this Lease in form and substance satisfactory to Lessor pursuant to Section 13.3 hereof setting forth such reporting marks. Lessee shall, on Lessor's request made at the end of the Lease term and at Lessor's cost and expense, remove such reporting marks on return of the Cars to Lessor. Lessee will not otherwise add reporting marks or alter identification of Lessor on the Cars except as requested by Lessor.

SECTION 6

MAINTENANCE OF, AND IMPROVEMENT TO, CARS; INSPECTION; RECORDS

6.1 Lessee shall, at its sole cost and expense, maintain the Cars in serviceable condition, free of broken, damaged or missing parts, and in compliance with the Interchange Rules.

6.2 Lessee agrees to comply with all applicable laws, regulations, directives, statutes, ordinances and rules, including, without limitation, those issued by the FRA, the Interstate Commerce Commission and the Environmental Protection Agency (including state agencies thereof or other agencies serving a similar purpose), with respect to the use and maintenance of each Car. If any Part (as defined below), equipment or appliance in or on any Car is altered, added to, replaced, changed or otherwise modified (each, a "Modification" or collectively, "Modifications") on any Car in order to comply with any such laws, regulations, directives, statutes, ordinances or rules, then, notwithstanding any other provision of this Lease, title thereto shall thereupon immediately vest in Lessor.

6.3 Lessee shall not knowingly use or knowingly permit any Car to be used in an improper or unsafe manner, in violation of any contract of insurance applicable to the Car or in violation of any applicable law, regulation, directive, statute, ordinance or rule.

6.4 Lessee shall pay for any and all materials and other supplies required according to the Interchange Rules for the operation of the Cars.

6.5 Lessee shall keep and maintain and make available to Lessor all records of Lessee's use, operation, inspection, repairs and maintenance of the Cars. Lessor may inspect any Car at any reasonable time on request to Lessee.

6.6 (a) Any governmental mandated modifications to the Cars made during the term as defined in Section 1 hereof shall be arranged by Lessee but shall be at the sole cost and expense of Lessor. Lessor shall be entitled to a monthly rental increase for each Car modified, which sum shall be equal to \$1.50 per each \$100.00 expended by Lessor in the making of such modifications. Rental shall be abated on Lessee's account during such modification period with the rental increases becoming effective when the Cars are returned to Lessee's service following such modifications.

1.2
(b) Under Section ~~6.2~~ and Section 6.2 hereof, any repairs required due to defects or structural failure shall be arranged by Lessee, and shall be at the sole cost and expense of Lessor, with rental being abated while the repairs are being made.

(c) With regard to 6.6(a) and (b), no modifications or repairs due to defects or structural failure which cost exceed \$5,000.00 per Car shall be made by Lessee without Lessor's prior written consent. Should such cost exceed \$5,000.00 per Car, Lessor shall have the right to terminate this Lease with regard to any Car requiring modification or repair if in Lessor's reasonable opinion such modification or repairs are uneconomical and Lessor retires such Car permanently from AAR Interchange service.

(d) Lessee shall advise Lessor in writing of the dates on which Cars are removed from, and returned to, service.

6.7 Lessee shall furnish Lessor such financial information as is regularly provided to its lenders and as Lessor shall otherwise reasonably request.

6.8 Lessor shall be responsible for the cost of the ten (10) year tank test mandated by the AAR and for the cost of repainting any of the Cars. Any work on the Cars which is necessary due to the results of such test shall require Lessor's prior written consent, which shall not be unreasonably withheld, and shall be paid for by Lessor. Lessee shall be responsible for arranging for the overseeing such work; provided, however, that any vendors used and the procedures and standards employed in connection with such work shall be approved by Lessor.

SECTION 7

INDEMNIFICATION: TAXES

7.1 Lessee shall indemnify, reimburse and hold Lessor and its successors, assigns, agents and employees harmless from and against all liabilities, costs, expenses (including attorneys' fees and expenses), fines, penalties (and other charges of applicable governmental authorities), damages to property of Lessee or others (including, without limitation, consequential or corrosion damages), loss of use of property (including, without limitation, any Car) or injury to or death of persons (including, without limitation, agents and employees of Lessee) which result from the use, leasing, subleasing, operation, possession, maintenance, control, storage, loading, unloading, redelivery or condition of any Car from the date of acceptance of such Car hereunder until redelivery of such Car to Lessor in accordance with Section 8 hereof.

7.2 Lessee shall pay, or cause to be paid, or shall on demand reimburse Lessor for, all other taxes, fees, exactions, assessments, charges, fines, and penalties, and any interest thereon including, without limitation, ad valorem, sales, property, use, rental, gross receipts, and excise taxes (except net income taxes of Lessor) as may be levied or assessed against Lessor (collectively, "Impositions") or Lessee in connection with this Lease or arising out of or be measured by any lease, sublease, rental, use, operation, payment, possession, shipment, storage, loading, unloading, redelivery or condition of any Car. Lessee shall at all times keep each and every part of the Cars free and clear of all Impositions which might in any way adversely affect the title of Lessor or result in a Lien thereon.

7.3 The indemnities set forth in Sections 7.1 and 7.2 above shall survive the expiration or termination of this Lease.

7.4 Lessee shall, on Lessor's demand, and at its sole cost and expense, enforce the indemnities of its permitted sublessees and assignees for the direct benefit of Lessor. The indemnities of Fina set forth in the Agreement, dated as of May 19, 1989 between Fina, as sublessee, and Lessee, as sublessor is deemed acceptable for so long as such agreement shall remain in effect. To the extent Lessor is not fully indemnified by such sublessees and/or assignees, including Fina, pursuant to Sections 7.1 and/or 7.2 above, Lessee shall, without duplication of any recovery hereunder, provide such indemnification.

SECTION 8

RETURN OF CARS

At the expiration or termination of this Lease, Lessee shall return the Cars to Lessor as provided in this Section 8.

8.1 Any Car returned to Lessor hereunder shall be clean of commodities or residue, comply with the standards set forth in Sections 6.1 and 6.2, and have all accessories and parts installed thereon as were installed at the commencement of the term hereof and shall be equipped with all Modifications made thereto during the term hereof.

8.2 When a Car has completed its last loaded movement while subject to this Lease, Lessee shall arrange for the Car to be moved to a shop acceptable to Lessor and Lessee where it can be cleaned of all commodities or residue. While at the cleaning location, Lessor and Lessee shall within a reasonable time jointly inspect the Car to determine that it meets the requirements of Section 8.1.

8.3 If any Car does not comply with the requirements of Section 8.1, Lessee shall promptly correct any such deficiency, at Lessee's sole cost and expense, and Lessor and Lessee shall jointly reinspect the Cars promptly after Lessee has corrected such deficiency.

8.4 When Cars are found by joint inspection to be in compliance with Section 8.1, Lessor shall promptly provide Lessee with disposition instructions and Lessee shall arrange, at no cost to Lessor, for movement of Cars to, and redelivery of the Cars to the Lessor at, the next loading location (or Lessor's storage location).

8.5 Lessee shall have a reasonable time (but not to exceed 30 days beyond the expiration or termination date of this Lease) to assemble, clean, repair, and redeliver the Cars. However, any Car not cleaned, inspected, in the condition required by the Lease, and redelivered to Lessor by the expiration or termination date of this Lease shall be subject to holdover rentals starting on such expiration or termination at a rate equal to the greater (a) rentals described in Section 2.1 or (b) the fair market rental value for the Cars. The holdover rentals shall then continue until the subject Cars are redelivered to Lessor pursuant to this Section. Such holdover rent shall be paid on demand.

SECTION 9

INSURANCE

9.1 At its own expense, Lessee shall, throughout the term of this Lease and until the last Car is redelivered to Lessor in accordance with Section 8, maintain Comprehensive General Public Liability Insurance, including, without limitation, coverage for liability and bodily injury, including death, contractual liability insurance and pollution liability with limits of at least \$2,000,000, and all-risk insurance in an amount equal to the Rule 107 Value for all Cars, with a deductible not exceeding \$100,000 per occurrence, for property damage.

Lessee shall provide at least \$2,000,000 of such liability insurance. The first \$1,000,000 shall be provided by Lessee's own policies. The second \$1,000,000 may be provided by Lessee's own policies. If Lessee chooses not to provide the second million, Lessee shall promptly notify Lessor. Lessor shall obtain quotations for such coverage, inform Lessee of the cost, and Lessee may then choose to promptly reimburse Lessor for the cost of such coverage when invoices are provided by Lessor, or early terminate this Lease and return the Cars to Lessor pursuant to Section 8. Lessee has chosen not to obtain the second \$1,000,000 through at least November 20, 1991, and Lessor has agreed to provide that coverage through November 20, 1991 at a cost of \$1,050 payable immediately.

9.2 All policies of insurance shall: (a) be issued by an insurance carrier and in a form reasonably acceptable to the Lessor, (b) name Lessor as an additional insured or loss payee, or both, as appropriate, (c) provide for (i) at least 30 day's prior written notice by the insurance carrier to the Lessor in the event of cancellation, expiration or material modification of the insurance commencing August 1, 1991, provided such provision can be obtained by Lessee after diligent good faith efforts in consultation with Lessor, and (ii) a waiver of subrogation against Lessor and Lessee and of set-off, counterclaim or other deduction, whether by attachment or otherwise, in respect of any liability owed by Lessee to its insurers, and (d) not be invalidated by a remedial action of Lessor. Each policy of insurance shall include cross liability and severability of interest provisions satisfactory to Lessor. Lessee shall have no recourse against Lessor for any payment of insurance premiums. The Lessee shall, prior to the first Delivery Date of any Car and annually thereafter on the anniversary thereof, furnish appropriate written evidence of such insurance. Lessee shall not be required to provide the foregoing insurance coverage to the extent such coverage is provided by a sublessee of Lessee to Lessor's reasonable satisfaction.

Subject to Lessor's consent, which consent shall not be unreasonably withheld, Lessee may self-insure any casualty to the Cars employing sound actuarial principles and standard industry practice and/or obtain insurance certification from Lessee's current sublessee, Fina, in form and substance reasonably satisfactory to Lessor, that such sublessee has (i) provided "all risk" casualty insurance coverage in an amount of at least equal to the Rule 107 Value (as defined in the Interchange Rules) for all Cars, with a deductible not exceeding \$100,000 per occurrence, or (ii) self-insured for any casualty to the Cars employing sound actuarial principles and standard industry practice.

SECTION 10

CASUALTIES AND REPORTS

10.1 Lessee shall be solely responsible for any loss, theft, or damage to any Car. If a Car is lost, stolen, or damaged beyond repair, then Lessee shall, not later than the next rent payment after any such occurrence, or if this Lease has expired or been terminated, on demand, but in, either case, no later than 30 days after such expiration or termination, as the case may be, pay Lessor or cause Lessor to be paid Rule 107 Value, computed as of the rent payment date immediately prior to such loss, theft, other damage, for each such Car. On receipt of such payment and all other amounts due under this Lease, rent shall cease with respect to such Car.

10.2 Lessee shall, without demand, immediately notify Lessor in reasonable detail of any casualty or accident involving actual or potential damages in excess of \$5,000 relating to any Car.

10.3 If during the term of this Lease any Car is seized by a governmental authority for a period less than the remaining term of this Lease, this Lease shall terminate as to that Car during such period of seizure and rent shall be abated. Lessor shall be entitled to receive and retain any award paid by the seizing governmental authority as compensation for the interruption of Lessee's leasehold interest in such Car.

SECTION 11

DEFAULT

11.1 The following events shall constitute "Events of Default" for purposes of this Lease:

(a) Lessee shall fail or be unable to make any rental or other payment required under the Lease in full and such inability or failure shall continue for 30 days after the due date;

(b) Lessee shall fail to procure or maintain any insurance coverage required hereby, and is unable to obtain proof that sublessee has insurance that is adequate in Lessor's reasonable opinion to provide equivalent protection to Lessor;

(c) Lessee shall fail or be unable to observe or perform any covenant, condition or agreement of Lessee contained herein, other than such as are referred to in clause (a) and (b) above, and such failure shall continue for 30 days after the giving of notice thereof by Lessor;

(d) Any representation or warranty of Lessee contained herein or any representation or warranty contained in any document or certificate furnished to Lessor in connection herewith or pursuant hereto shall be untrue or incorrect in any material respect when made;

(e) Lessee shall apply for or consent to the appointment of, or the taking of possession by, a custodian, receiver, trustee or liquidator of itself or a substantial part of its property, shall become insolvent, shall fail or be unable to pay its debt generally as they become due, or shall cease to conduct its business in its ordinary course;

(f) Lessee shall file a voluntary petition in bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors or to take advantage of any other federal or state bankruptcy, insolvency or other law relating to the relief of debtors, the readjustment, composition or extension of indebtedness or reorganization; file an answer admitting the material allegations of a petition filed against it in a case under Title 11 of the United States Code or in proceedings relating to the relief of debtors, the readjustment, composition or extension of indebtedness or reorganization; or taking corporate action for the purpose of effecting any of the foregoing; or

(g) Without the application, approval or consent of Lessee, a proceeding shall be instituted in any court of competent jurisdiction, seeking in respect of Lessee an order for relief under the aforesaid Title 11, reorganization, dissolution, winding up, liquidation, a composition or arrangement with creditors, a readjustment of debts, the appointment of a custodian, receiver, trustee or liquidator of Lessee, any substantial part of its property or any of the Cars, or other such like relief in respect of Lessee under any bankruptcy, insolvency or other similar law, and the same shall continue undismissed or unstayed for any period of 60 days.

11.2 Upon the occurrence of an Event of Default, Lessor may, at its option:

- (a) enforce performance by Lessee of the terms hereof;
- (b) recover damages for Lessee's breach of the terms hereof;

(c) by giving notice to Lessee specifying the Event of Default, accelerate the due date with respect to all rents contemplated by this Lease and due after the date thereof, and, but for the giving of such notice, all such rents, discounted at a rate equal to 8% per annum, and any other amounts due hereunder shall be immediately due and payable;

(d) by giving notice to Lessee specifying the Event of Default, terminate this Lease effective on the date specified in such notice (hereinafter, the "Date of Termination"), and on the Date of Termination, this Lease shall expire and terminate and all rights of Lessee under this Lease shall absolutely cease (but Lessee shall remain liable as herein set forth), and Lessee shall deliver possession of the Cars to Lessor in accordance with Section 8 hereof. Upon such expiration and termination, Lessor shall have the right to immediate possession of the Cars free of any claims of Lessee whatsoever, and Lessor may remove all or any of the Cars, from the possession of Lessee (or any sublessee), its agents and affiliates, at Lessee's sole cost and expense, and for such purpose may enter premises where the Cars are located, and may use and employ any supplies, services, means or other facilities of Lessee (or any sublessee), its agents and affiliates, with or without process of law, and Lessor shall not be liable for, and shall be held harmless by Lessee from any liability for, damage caused to real or personal property during any such removal; provided that Lessor acts in a commercially reasonable manner. Lessee shall, without further demand, within five days of the Date of Termination pay to Lessor an amount equal to any unpaid rent due and payable for all periods up to and including the Date of Termination, (i) plus all Default Costs (as hereinafter defined), (ii) plus, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the Rule 107 Value for all Cars subject to the Lease on the Date of Termination or accelerated rent under Section 11.2(c) hereof, as the case may be, computed as of the rent payment date immediately prior to the Date of Termination (iii) plus all other sums due Lessor hereunder. Interest at the Prime Rate plus 3% (or if, lower, the highest rate permitted by applicable law) shall be paid on all amounts due hereunder, including, without limitation, such Default Costs, until paid in full. Following the return of the Cars to Lessor pursuant to this Section 11.2, Lessor shall, within a commercially practicable time, to the extent then practicable, proceed to either sell or re-let the Cars (as hereinafter described) in a commercially reasonable manner.

11.3 Lessee shall, upon demand, reimburse Lessor for all expenses, charges, costs and commissions (including reasonable attorneys' fees and expenses) reasonably incurred by Lessor in enforcing its rights hereunder and in taking possession of, disassembling, overhauling, repairing, maintaining, transporting, insuring, storing or modifying the Cars determined by Lessor to be required to placed such Cars in condition suitable for sale, re-lease or use of the Cars (such expenses, charges, costs and commissions sometimes being herein called "Default Costs"). Amounts recoverable under this Section 11.3 shall include reasonable Default Costs incurred after the Date of Termination.

11.4 Lessor shall have the option, if it elects to re-lease any Cars as contemplated in Section 11.2(d) hereof, on or after the occurrence of an Event of Default, whether or not it shall then have possession thereof, to establish conclusively the present value at the Date of Termination of the prevailing rental value of a Car by entering into a bona fide arm's length lease of the Car with a third party which lease shall be free from any and all claims at law or in equity of Lessee. If Lessor exercises such option, the present worth at the Date of Termination of the prevailing rental value of the Cars shall be conclusively deemed to be the proceeds of such bona fide arm's length lease, to the date on which the Term would have expired but for such termination, discounted 8% per annum from the dates such proceeds are to be paid to Lessor thereunder to the Date of Termination.

11.5 Lessor shall also have the option, if it elects to sell any Car as contemplated in Section 11.2(d) hereof, on or after the occurrence of an Event of Default, whether or not it shall have possession thereof, to establish conclusively the prevailing sale value of a Car as of the rental payment date preceding the Date of Termination by consummating a bona fide arm's length sale of the Car to a third party which sale shall be free from any and all claims at law or in equity of Lessee. Lessor may deduct from any such sale proceeds any or all outstanding Default Costs. The aforementioned option may be exercised by public or private sale, with or without advertisement or publication, as Lessor may determine. Lessor may otherwise dispose of the Cars, hold the Cars idle, or lease the Cars to others (for a period greater or lesser than the balance of the term of this Lease in the absence of the termination), all on such terms and conditions as Lessor may determine and all free and clear of any rights of Lessee and of any claim or right of redemption of Lessee in equity, at law or by statute, whether for loss or damage or otherwise.

11.6 The proceeds of such sale or re-letting, as described in Sections 11.4 and 11.5 hereof, as the case may be, shall be applied, as received by Lessor, first, to pay all Default Costs, second, against the amount of Lessee's obligations under or in respect of this Lease other than Default Costs (such obligation, together with Default Costs, being herein sometimes called "Lessee's Default Obligations"), to the extent not previously paid by Lessee under this Section 11, and third, to reimburse Lessee for the Rule 107 Value or accelerated rent under Section 11.2(c) hereof, as the case may be, paid by Lessee to Lessor per Car as a consequence of the termination and to the extent previously paid by Lessee as liquidated or other damages to (and to the extent retained by) Lessor free of any claims to such payment by Lessee, any trustee or other third party. Any surplus remaining thereafter shall be retained by Lessor. To the extent that Lessee's Default of Obligations shall not have been paid when due, Lessee shall forthwith fully pay to Lessor the remaining amount thereof.

11.7 Each and every power and remedy hereby specifically given to Lessor shall be in addition to every other power and remedy specifically so given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by Lessor. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any others. No delay or omission of Lessor in the exercise of any such power or remedy and no renewal or extension of time with regard to any payment due hereunder shall impair any such power or remedy and no renewal or extension of time with regard to any payment due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or any acquiescence therein.

SECTION 12

ASSIGNMENT BY LESSOR

Lessor may assign this Lease without notice to, or the consent of, Lessee, and Lessee shall, on notice thereof, comply in all respects with the requirements of the assignee of Lessor of this Lease or any rights hereunder.

SECTION 13

MISCELLANEOUS

13.1 All demands, notices and other communications hereunder shall be in writing, and shall be deemed to have been duly given when delivered, if personally delivered; or when sent, if mailed certified or registered mail, postage prepaid, or when sent, if transmitted by cable or telex, charges prepaid; in each case addressed to the parties at the locations specified below, or such other location(s) as may hereafter be furnished in writing by either party to the other:

To Lessee: **TRANSPORTATION EQUIPMENT, INC.**
 P.O. Box 775
 Weimar, Texas 78962
 Attention: Mr. Hugo Helmcamp

To Lessor: **GATX CAPITAL CORPORATION**
 Four Embarcadero Center, Suite 2200
 San Francisco, California 94111
 Attention: Contracts Administration

13.2 This Lease shall be binding upon and shall inure to the benefit of Lessee, Lessor and, to the extent assignment hereof is permitted hereby, their respective successors and assigns.

13.3 Lessee will, promptly, but in no event later than 45 days after the new markings and Lessor identification are affixed to the Cars by Lessee pursuant to Section 5.4 hereof, cause an addendum to this Lease to be filed with the ICC in accordance with 49 U.S.C. 11303. Lessee will furnish Lessor a copy of such addendum of this Lease as so filed within 5 days after the date of filing.

13.4 This Lease constitutes the entire agreement between the parties hereto. No term or provision of this Lease may be changed, waived, amended or terminated except by a written agreement signed by both Lessor and Lessee.

13.5 Lessee's and Lessor's obligations hereunder shall survive the expiration or termination of this Lease.

13.6 This Lease shall be governed by and construed in accordance with the laws of the State of California.

13.7 If any provision of this Agreement shall be held unenforceable or void, such unenforceability or invalidity shall not affect the validity or enforceability of other provisions hereof.

13.8 Lessee and Lessor shall from time to time do and perform such other further acts and execute and deliver any and all such other and further instruments as may be required by law or reasonably requested by the other to establish, maintain and protect their respective rights and remedies and to carry out and effect the intents and purposes of this Lease.

13.9 If Lessee fails to perform any of its obligations under this Lease, Lessor may perform such obligation for Lessee and Lessee shall, on Lessor's written demand, repay Lessor for all reasonable costs and expenses incurred by Lessor in satisfying such obligation.

13.10 This Lease may be executed in counterparts, each of which shall constitute an original, but all of which together shall be one and the same agreement.

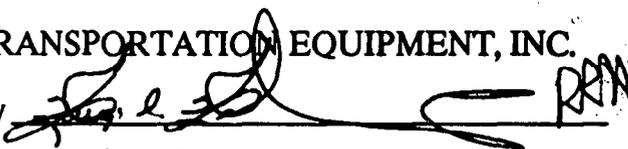
IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective duly authorized officers as of the date first above written.

GATX CAPITAL CORPORATION

By 

Title VICE PRESIDENT VICE PRESIDENT
Lessor

TRANSPORTATION EQUIPMENT, INC.

By 

Title Vice President
Lessee

TEILEASE2
03/28/91

STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO

} ss:

On this 28th day of March, 1991, before me personally appeared John B. West, to me personally known, who, being by me dully sworn, says that he is a Vice President of GATX Capital Corporation, the corporation described in and which executed the above instrument; that he knows the seal of said 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 that he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Diana Audrey Ghelli
Notary Public



My Commission Expires: _____

STATE OF TEXAS
COUNTY OF COLORADO

} ss:

On this 28th day of March, 1991, before me personally appeared Hugo Helmcamp, to me personally known, who, being by me dully sworn, says that he is a VICE PRESIDENT of Transportation Equipment, Inc., the corporation described in and which executed the above instrument; that he knows the seal of said 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 that he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Lou Larick
Notary Public

(Seal)

My Commission Expires: 4-26-94