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RECORDATION NO. FILED 1988

St. St. Boston Leasing/  
Liquid Carbonic  
ICC Filing Letter

SEP 15 1988 - 10 25 AM

INTERSTATE COMMERCE COMMISSION

LIQUID CARBONIC CARBON DIOXIDE CORPORATION  
135 South LaSalle Street  
Chicago, IL 60603

1 5818  
RECORDATION NO. FILED 1988

SEP 15 1988 - 10 25 AM  
INTERSTATE COMMERCE COMMISSION

No. 8-259A040

September 9, 1988 Date ... SEP. 15. 1988 .....

Fee \$ ... 39.00 .....

ICC Washington, D. C.

Ms. Noreta R. McGee, Secretary  
Interstate Commerce Commission  
Twelfth Street and Constitution Avenue, N.W.  
Washington, D.C. 20423

1 5818  
RECORDATION NO. FILED 1988

SEP 15 1988 - 10 25 AM

Dear Secretary:

INTERSTATE COMMERCE COMMISSION

I have enclosed an original and one counterpart of the documents described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The documents (the "Documents") are:

- (a) Master Equipment Lease Agreement No. 1, dated as of September 9, 1988, a Primary document;
- (b) Rental Schedule No. A-1, dated as of September 9, 1988, a Secondary document; and
- (c) Guaranty Agreement, dated as of September 9, 1988, a Secondary document.

The Primary document to which this filing is related is the Master Equipment Lease Agreement No. 1 referred to above, for which no recordation number has yet been issued.

The names and addresses of the parties to the Documents are as follows:

Lessee:

Liquid Carbonic Carbon Dioxide Corporation  
135 South LaSalle Street  
Chicago, IL 60603  
Attention: Treasurer

SEP 15 10 28 AM '88  
MOTOR OPERATED FILE

Ms. Noreta R. McGee, Secretary  
September 9, 1988  
Page 2

Lessor:

State Street Boston Leasing Company, Inc.  
225 Franklin Street  
Boston, MA 02101  
Attention: Patricia W. Jenkins,  
Vice President  
Leasing Division

Guarantor:

Liquid Carbonic Industries Corporation  
135 South LaSalle Street  
Chicago, IL 60603  
Attention: Treasurer

A description of the equipment covered by the Documents follows:

25 Union Tank 105A500W 100-ton Rail Cars manufactured by Union Tank Car Company (the "Manufacturer") and identified by vehicle identification numbers (and AAR designations) LCIX2541 through LCIX2565, inclusive.

A fee of \$30.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Goodwin, Procter & Hoar, Exchange Place, Boston, MA 02109, Attention: F. Beirne Lovely, Jr., Esq.

A short summary of the Documents to appear in the index follows:

- (a) Primary Document. Master Equipment Lease Agreement No. 1 between State Street Boston Leasing Company, Inc., 225 Franklin Street, Boston, MA 02101, as owner-lessor, and Liquid Carbonic Carbon Dioxide Corporation, 135 South LaSalle Street, Chicago, IL 60603, as lessee, dated as of September 9, 1988, covering up to 25 Union Tank 105A500W 100-ton Rail Cars manufactured by Union Tank Car Company; and

Ms. Noretta R. McGee, Secretary  
September 9, 1988  
Page 3

(b) Secondary Documents. (i) Rental Schedule No. A-1, between State Street Boston Leasing Company, Inc., 225 Franklin Street, Boston, MA 02101, as owner-  
lessor, and Liquid Carbonic Carbon Dioxide Corporation, 135 South LaSalle Street, Chicago, IL 60603, as lessee, dated as of September 9, 1988, covering 25 Union Tank 105A500W 100-ton Rail Cars constituting the equipment covered by the Documents described above.

(ii) Guaranty Agreement dated as of September 9, 1988 by Liquid Carbonic Industries Corporation, 135 South LaSalle Street, Chicago, IL 60603, guarantying the obligations of Liquid Carbonic Carbon Dioxide Corporation, 135 South LaSalle Street, Chicago, IL 60603, as Lessee under the above-described Lease.

This filing is being made for precautionary purposes only and to make the transaction a matter of public record. This filing should not be construed as evidence of the intent of any of the parties to enter into any transaction other than that of a true lease.

A short summary of the transaction of which the Documents are a part follows:

The Documents have been entered into in connection with the lease financing of certain tank cars as contemplated by the Master Equipment Lease Agreement No. 1, dated as of September 9, 1988, between State Street Boston Leasing Company, Inc., 225 Franklin Street, Boston, MA 02101, as owner-lessor (the "Lessor"), and Liquid Carbonic Carbon Dioxide Corporation, 135 South LaSalle Street, Chicago, IL 60603, as lessee (the "Lessee"). Under such transaction, the Lessor will lease up to 25 Union Tank 105A500W 100-ton Rail Cars to the Lessee pursuant to the Lease. The obligations of the Lessee under the Lease are guaranteed by Liquid Carbonic Industries Corporation, 135 South LaSalle Street, Chicago, IL 60603 (the "Guarantor") under the Guaranty Agreement of the Guarantor dated as of September 9, 1988.

Ms. Noreta R. McGee, Secretary  
September 9, 1988  
Page 4

Please acknowledge receipt of this letter of transmittal and its enclosures by appropriately stamping the enclosed copy of this letter and by returning it to Mr. Lovely in the addressed envelope enclosed for your convenience.

Very truly yours,

LIQUID CARBONIC CARBON  
DIOXIDE CORPORATION

By Steven L. Biagini  
Steven L. Biagini  
Treasurer

Enclosures: Lease (with Exhibits and Schedule) - Original and  
Notarized Copy  
Rental Schedule No. A-1 (with Exhibits - Original  
and Notarized Copy)  
Guaranty Agreement (Original and notarized copy)  
Transmittal Letter (Copy)  
Check (\$30.00)  
Return Envelope (Postage Prepaid)

DP-3020/d  
8/31/88

**GOODWIN, PROCTER & HOAR**

(A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS)

COUNSELLORS AT LAW

EXCHANGE PLACE

BOSTON, MASSACHUSETTS 02109-2881

TELEPHONE (617) 570-1000

TELECOPIER (617) 523-1231

TELEX 94-0640

CABLE GOODPROCT, BOSTON

September 8, 1988

BY FEDERAL EXPRESS

Ms. Noreta R. McGee, Secretary  
Interstate Commerce Commission  
Twelfth Street and Constitution Avenue, N.W.  
Washington, D.C. 20423

Dear Secretary:

Enclosed please find a filing letter from Liquid Carbonic Carbon Dioxide Corporation, the documents referenced in that letter and a check for \$30 for the filing fee. Would you please stamp the enclosed copy of the filing letter and return it to me in the enclosed envelope.

Thank you for your cooperation.

Very truly yours,

*F. Beirne Lovely (Jkm)*

F. Beirne Lovely, Jr.

FBL:pr

Enclosures

cc: Judy K. Mencher, Esq.  
Patricia W. Jenkins  
Steven L. Biagini

WP-2047/S

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THESE  
SEP 6 2 28 PM '88  
MOTOR OPERATED UNIT

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

9/15/88

OFFICE OF THE SECRETARY

F. Beirne Lovely, Jr., Esq  
Goodwin, Procter & Hoar  
Exchange Place  
Boston, MA. 02109

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/15/88 at 10:35am, and assigned recordation number(s). 15818, 15818-A, & 15818-B

Sincerely yours,

*Nesta R. McLee*

Secretary

Enclosure(s)

1 5818

RECORDATION NO. 7700 2300

SEP 15 1988 10 44 AM

INTERSTATE COMMERCE COMMISSION

MASTER EQUIPMENT LEASE AGREEMENT

NO. 1

Dated as of September 9, 1988

BETWEEN

STATE STREET BOSTON LEASING COMPANY, INC.

LESSOR

AND

LIQUID CARBONIC CARBON DIOXIDE CORPORATION

LESSEE

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EXHIBIT A: Rental Schedule and Certificate of Inspection and  
Acceptance with Stipulated Loss Values

MASTER EQUIPMENT LEASE AGREEMENT NO. 1, dated as of September 9, 1988, between STATE STREET BOSTON LEASING COMPANY, INC., a Massachusetts corporation, having a principal office at 225 Franklin Street, Boston, Massachusetts 02101 (the "Lessor") and LIQUID CARBONIC CARBON DIOXIDE CORPORATION, a Delaware corporation, having a principal place of business at 135 LaSalle Street, Chicago, Illinois 60603 (the "Lessee").

In consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. DEFINITIONS. For purposes of this agreement, the following terms shall have the following meanings:

(a) "ACQUISITION COST" of any item of Equipment means an amount equal to the sum of (i) the purchase price of such item of Equipment to be paid by Lessor, plus, (ii) any excise, sales and use tax on or with respect to such item of Equipment, plus (iii) any reasonable costs, expenses and fees paid or incurred by Lessor in obtaining or delivering such item of Equipment to Lessee and any expenses of installation of such item of Equipment paid for by Lessor.

(b) "ADDITIONAL RENT" shall have the meaning specified in Section 6 hereof.

(c) "BASIC RENT" with respect to any item of Equipment shall have the meaning specified in the Rental Schedule for such item of Equipment.

(d) "CASUALTY OCCURRENCE" shall have the meaning specified in Section 14 hereof.

(e) "CERTIFICATE OF INSPECTION AND ACCEPTANCE" means the certification contained in the Rental Schedule and Certificate of Inspection and Acceptance, substantially in the form attached hereto as Exhibit A and incorporated herein by reference, to be executed by Lessee, and reflecting the date of Lessee's acceptance of Equipment for lease hereunder of any Equipment delivered to Lessee.

(f) "CLAIMS" shall have the meaning specified in Section 7 hereof.

(g) "CODE" shall mean the Internal Revenue Code of 1986, as amended.

(h) "DEFAULT INTEREST RATE" shall have the meaning specified in Section 6 hereof.

(i) "EQUIPMENT" means equipment leased or to be leased by Lessor to Lessee hereunder or ordered by Lessor for lease to Lessee hereunder, together with any and all accessions, additions, improvements and replacements, from time to time incorporated or installed therein which are property of Lessor pursuant to the terms of this Lease.

(j) "EVENTS OF DEFAULT" shall have the meaning specified in Section 20 hereof.

(k) "FAIR RENTAL AMOUNT" shall have the meaning specified in Section 25 hereof.

(l) "FEES AND TAXES" shall have the meaning specified in Section 9 hereof.

(m) "INTERIM RENT" shall commence upon Lessee's execution of the "Rental Schedule and Certificate of Inspection and Acceptance" for each Rental Schedule and shall end upon the commencement of the Primary Term.

(n) "INTERIM TERM" shall commence upon Lessee's execution of the "Rental Schedule and Certificate of Inspection and Acceptance" for each Rental Schedule and shall end upon the commencement of the Primary Term.

(o) "LEASE" means each Rental Schedule which incorporates all the terms and conditions of this Master Equipment Lease Agreement.

(p) "LEASE TERM" for each Rental Schedule shall mean the "Interim Term" (if any), the "Primary Term" and any Renewal Term provided herein.

(q) "LEASE COMMENCEMENT DATE" with respect to an item of Equipment means the date of the commencement of the Lease Term of such item and shall be the date such item is accepted by Lessee for lease hereunder.

(r) "LESSEE'S USE" shall have the meaning specified in Section 10 hereof.

(s) "LESSOR'S RIGHTS AND REMEDIES" shall have the meaning specified in Section 21 hereof.

(t) "MANUFACTURER(S)" shall mean the manufacturer(s) and/or remanufacturers listed for each item of Equipment on each Rental Schedule.

(u) "PAYMENT DATES" with respect to an item of Equipment shall have the meaning specified in the Rental Schedule for such item of Equipment.

(v) "PRIMARY TERM" for each Rental Schedule shall commence and shall end on the dates set forth therein.

(w) "RENTAL SCHEDULE" means a schedule to be executed by Lessor and Lessee, substantially in the form attached hereto as Exhibit A and incorporated herein by reference and marked "Rental Schedule and Certificate of Inspection and Acceptance", setting forth a full description of the Equipment to be leased hereunder, its location, Acquisition Cost, the amount of rent payable by Lessee with respect thereto, the Lease Term thereof, the Lease Commencement Date with respect thereto, and such other details as Lessor and Lessee may desire. Such Rental Schedule shall incorporate by reference the terms of this Master Equipment Lease Agreement.

(x) "RENEWAL TERM" shall have the meaning specified in Section 24 hereof.

(y) "STIPULATED LOSS VALUE" means, for any Equipment or item of Equipment, the Stipulated Loss Value set forth or referred to in the Rental Schedule relating to such Equipment or item of Equipment.

(z) "CARS" shall have the same meaning as Definition (i), "EQUIPMENT".

(aa) "GUARANTOR" shall mean Liquid Carbonic Industries Corporation, a Delaware corporation, and its successors and assigns.

(bb) "GUARANTY AGREEMENT" shall mean that certain Guaranty Agreement dated as of the date hereof between Lessor and Guarantor, as the same may be amended from time to time.

(cc) "LESSOR LIENS" means any lien, charge or encumbrance in respect of the Equipment arising as a result of (i) claims against or affecting Lessor, not related to the transactions contemplated by this Lease or any other related document, or (ii) acts or omissions of Lessor not related to the transactions contemplated by this Lease or any other related document, or (iii) taxes imposed against Lessor not indemnified against by Lessee pursuant to this Lease.

2. LEASE OF EQUIPMENT.

(a) The Lessor agrees to lease to the Lessee, and the Lessee agrees to lease from the Lessor such Equipment as may be mutually agreed, in the manner and upon such terms and conditions specified in this Master Equipment Lease Agreement. Lessee shall evidence its request to Lessor to lease particular items of Equipment to Lessee hereunder by executing and delivering a Rental Schedule for such Equipment to Lessor. Lessee's execution of such Rental Schedule shall obligate Lessee to lease the Equipment described herein from Lessor upon the acceptance, as provided in Section 3, of such Equipment by Lessee. Each Rental Schedule shall constitute a separate Lease.

(b) Lessee agrees that its obligations under this Lease are absolute and unconditional, without right of set-off or recoupment, and shall continue in full force and effect regardless of any inability of Lessee to use the Equipment or any part thereof for any reason whatsoever including, without limitation, war, riot, insurrection, act of God, storms, government regulations, strike, other labor troubles, loss, damage, destruction, obsolescence, failure of the Equipment to properly operate, improper installation or condition, suitability or adaptability of the Equipment for Lessee's cause or purpose, breach of warranty, acts or covenants of the Manufacturer or vendor, or any other cause whatsoever. Subject to any early termination provision in or made a part of any Rental Schedule, this Lease is irrevocable by Lessee for the full Lease Term hereof and for the aggregate rental herein reserved and the rental shall not abate by reason of termination of Lessee's right of possession.

3. DELIVERY AND ACCEPTANCE OF EQUIPMENT.

(a) Lessor and Lessee understand that the Manufacturer or vendor of the Equipment will deliver the Equipment to the premises of Lessee specified in the Rental Schedule and such delivery shall be deemed to be delivery of the Equipment by Lessor to Lessee hereunder. Lessor hereby authorizes Lessee as its agent to accept for Lessor, and in Lessor's name, the Equipment from said Manufacturer or vendor upon delivery. Upon such delivery, Lessee shall cause an inspector or inspectors of

Lessee to inspect the Equipment, and if it is found to be acceptable, to accept delivery of such Equipment and execute and deliver to Lessor a Certificate of Inspection and Acceptance stating that such Equipment has been inspected and accepted and is marked in accordance with Section 8 hereof, whereupon such Equipment shall be deemed to have been delivered to and accepted by Lessee and shall be subjected thereafter to all terms and conditions of this Master Equipment Lease Agreement and the Rental Schedule applicable thereto.

(b) Lessee agrees that Lessee's acceptance for Lease hereunder of any Equipment as evidenced by its execution of a Certificate of Inspection and Acceptance with respect thereto shall constitute Lessee's acknowledgment that such Equipment:

(i) is of a size, design, capacity and manufacture acceptable to Lessee for lease hereunder, and;

(ii) otherwise conforms to the requirements hereof and the Rental Schedule and is subject to all of the terms and conditions of this Master Equipment Lease Agreement and the Rental Schedule applicable thereto.

4. DISCLAIMER OF WARRANTIES.

(a) LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER OR THAT IT COMPLIES WITH ANY REQUIREMENT OF ANY FEDERAL OR STATE LAW, OR ANY RULE OR REGULATION ISSUED PURSUANT THERETO. EACH ITEM OF EQUIPMENT IS LEASED

"AS IS", "WHERE IS" IN THE CONDITION IN WHICH IT IS DELIVERED TO LESSEE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LESSOR SHALL NOT BE LIABLE FOR ANY DEFECTS, EITHER LATENT OR PATENT IN ANY OF THE EQUIPMENT, OR FOR ANY DIRECT OR CONSEQUENTIAL DAMAGE THEREFROM, AND SHALL NOT BE LIABLE TO LESSEE FOR LOSS OF USE OF ANY OF THE EQUIPMENT OR ANY INTERRUPTION IN LESSEE'S BUSINESS OCCASIONED BY LESSEE'S INABILITY TO USE ANY OF THE EQUIPMENT FOR ANY REASON WHATSOEVER. HOWEVER, LESSOR WILL TAKE SUCH REASONABLE STEPS AS IT DEEMS APPROPRIATE AND WITHIN ITS POWER TO MAKE AVAILABLE TO LESSEE ANY MANUFACTURER'S OR SIMILAR WARRANTY APPLICABLE TO THE EQUIPMENT AND MAKE ANY ASSIGNMENT OR OTHER TRANSFER OF RIGHTS IN AND TO SUCH WARRANTY. ACCEPTANCE OF THIS SECTION 4 BY LESSEE IN NO MANNER RESTRICTS LESSEE'S ABILITY TO RECOVER HEREUNDER FROM THE MANUFACTURER OR VENDOR OF THE EQUIPMENT. LESSEE ACKNOWLEDGES THAT NEITHER THE MANUFACTURER OR THE VENDOR OF THE EQUIPMENT LEASED HEREUNDER NOR ANY SALESPERSON, EMPLOYEE, REPRESENTATIVE, OR AGENT OF SAID MANUFACTURER OR VENDOR IS AN AGENT OR REPRESENTATIVE OF LESSOR AND THAT NONE OF THE ABOVE PERSONS HAS AUTHORITY TO WAIVE OR MODIFY IN ANY WAY ANY TERM, PROVISION, OR CONDITION OF THIS LEASE OR TO MAKE ANY REPRESENTATION, COVENANT, OR WARRANTY WITH RESPECT TO THIS LEASE, OR WITH RESPECT TO ANY EQUIPMENT LEASED HEREUNDER WHICH WOULD IN ANY WAY MODIFY LESSEE'S OBLIGATIONS UNDER THIS MASTER EQUIPMENT LEASE AGREEMENT AND APPLICABLE RENTAL SCHEDULE.

5. LEASE TERM. The Equipment is leased for a Lease Term as defined herein, unless and until the term of this Lease shall expire, be extended or be terminated pursuant to any provision hereof. The Interim Term, if any, and the Primary Term shall commence and expire on the dates set forth in Section 1 herein, and as more particularly set forth in the Rental Schedule applicable to the item of Equipment in question. Lessee may extend the Lease Term of all items of Equipment for the Renewal Term to the extent provided in Section 24 hereof. The provisions of Section 10 shall apply as between Lessor and Lessee with respect to any Equipment from the time the Equipment is ordered by Lessor. Lessee hereby authorizes Lessor to insert the Lease Commencement Date for an item of Equipment on the Rental Schedule therefor when such item has been accepted by Lessee for lease hereunder.

6. RENT.

(a) This Master Equipment Lease Agreement and each Lease are net Leases and Lessee shall pay the Lessor as fixed rent for the Interim Term and Primary Term, (and in any event until all the Equipment is returned in Good Operating Condition pursuant to the provisions of Section 18) the amount set forth in the Rental Schedule ("Basic Rent") on the dates set forth therein ("Payment Dates").

(b) In addition to the Basic Rent, Lessee also agrees to pay Lessor when due or otherwise on demand all amounts which Lessee is required to pay pursuant to this Lease (including,

without limitation, Interim Rent) together with every fine, penalty, interest and cost which may be added for nonpayment or late payment (collectively, "Additional Rent"). If any Basic Rent or Additional Rent is not paid when due, Lessee agrees to pay interest on such overdue amount until paid at a rate equal to 200 basis points in addition to the Prime Rate set by State Street Bank and Trust Company at that time, but not exceeding the lawful maximum rate of interest, if any ("Default Interest Rate").

7. LESSEE'S REPRESENTATIONS, COVENANTS AND WARRANTIES.

Lessee represents, covenants, and warrants for the benefit of Lessor, and if required by Lessor will provide supporting documents to the effect, that:

(a) Lessee is a corporation legally incorporated, validly existing, and in good standing, under the laws of its state of incorporation, with full corporate power and authority to enter into this Lease and to pay and perform its obligations hereunder and under this Lease;

(b) this Lease has been duly authorized, executed and delivered by Lessee and constitutes the valid, legal and binding obligation of Lessee enforceable in accordance with its terms;

(c) no approval is required by any regulatory body, nor from any parent or affiliate of Lessee (but, if required, has been obtained from a parent or affiliate organization of the

Lessee) with respect to the entering into or performance of this Lease;

(d) the leasing of the Equipment hereunder by Lessee will not result in any breach of, or constitute a default under any agreement by which Lessee or its property is bound, or result in the creation of any claims, demands, liens, attachments, encumbrances, actions, causes of action, executions, judgements or expenses (including, without limitation, attorneys' reasonable fees, expenses and disbursements) (collectively, "Claims") in or upon any Equipment pursuant to, any indenture, mortgage, deed of trust, or other lien of any nature whatsoever, which now covers or affects, or which may hereafter cover or affect any property or interest therein of Lessee, now attaches or hereafter will attach to the Equipment leased hereunder or in any manner affects or will affect adversely Lessor's right, title and interest therein;

(e) there are no actions, causes of actions, suits or proceedings pending, or to the knowledge of Lessee threatened, in any court or before any regulatory commission, board or other governmental agency or authority against or affecting Lessee, which will have or could have a material effect on the financial condition or business of Lessee; and

(f) there has been no material adverse change to Lessee's financial condition since the date of Lessee's most recent financial statement provided to Lessor by Lessee.

Lessee will provide an opinion of counsel satisfactory to Lessor in form and substance satisfactory to Lessor with respect to such matters as Lessor may reasonably request.

8. . IDENTIFICATION MARKS. If requested by Lessor or required by federal, state or local law, Lessee shall affix or attach to the Equipment a sign, stencil, plaque, legend, tag or other form of notice satisfactory in form to Lessor to disclose Lessor's ownership of the Equipment or that the Equipment is leased. Lessee shall keep and maintain such sign, stencil, plaque, legend, tag or other form of notice affixed or attached to the Equipment throughout the Lease term. Lessee will not allow the name of any persons, association or corporation to be placed on the Equipment as a designation or as a claim of ownership other than that of Lessor; provided, however, that Lessee may cause such Equipment to be lettered with the names or initials or other insignias customarily used by Lessee on equipment used by it of the same or a similar type for convenience or identification of its rights to use such Equipment as permitted under this Lease or normal advertising displays.

9. FEES AND TAXES.

(a) Upon the commencement of this Lease, Lessee agrees to pay promptly when due, and to indemnify and hold Lessor harmless from:

(i) all license, title and registration fees of every type and nature whatsoever;

(ii) all levies, imposts, duties, charges or withholdings of every type and nature whatsoever; and

(iii) all sales, use, personal property, stamp and other taxes of every type and nature whatsoever (together with any penalties, fines or interest thereon)

(as described in the foregoing clauses (i),(ii) and (iii), collectively, "Fees and Taxes"), whether the same are assessed, levied or imposed by any governmental or taxing authority against or upon Lessor or Lessee or otherwise, with respect to any Equipment or the purchase, acquisition, ownership, delivery, leasing, possession, use, operation, control, return or other disposition thereof, or the rents, receipts or earnings arising therefrom, or with respect to this Master Equipment Lease Agreement or any Lease, excluding, however, any taxes, fees or other charges on, based on, or measured by, net income that are imposed by (i) the United States of America, and (ii) the Commonwealth of Massachusetts up to the amount of such taxes, fees or other charges which would be payable to the Commonwealth of Massachusetts if there were no apportionment to any other taxing jurisdiction. Notwithstanding the foregoing, Lessee shall not indemnify Lessor for any Fees and Taxes in the nature of sales or other transfer taxes which arise solely as a consequence of Lessor's sale or other disposition of the Equipment at a time other than (i) after an Event of Default occurs hereunder, (ii) pursuant to the exercise of Lessee's option to purchase the Equipment pursuant to Section 25 hereof,

or (iii) pursuant to Lessor's exercise of any of Lessor's Rights and Remedies.

(b) In the event any such Fees and Taxes are paid by Lessor, or if Lessor is required to collect or pay any thereof, Lessee shall reimburse Lessor therefor (plus any penalties, fines or interest thereon other than penalties, fines or interest to the extent payable solely due to Lessor's gross negligence) promptly upon demand. Lessee will file all personal property tax returns with respect to the Equipment, and (unless and until Lessor notifies Lessee in writing that Lessor is required to pay such taxes), Lessee will pay the personal property taxes levied or assessed thereon directly to the levying authority. Lessee will, promptly upon being invoiced by Lessor, reimburse Lessor for the full amount of such personal property taxes so paid by Lessor. All of the obligations of Lessee under this Section 9 with respect to any Fees and Taxes assessed, levied, imposed or accrued prior to the expiration or other termination of this Master Equipment Lease Agreement or any Lease or Lease Term of all Equipment leased hereunder (or with respect to any period after the end of the Lease Term if an Event of Default shall have occurred and be continuing and Lessor shall be exercising remedies with respect thereto), shall continue in full force and effect notwithstanding such expiration or other termination and are expressly made for the benefit of, and shall be enforceable by the Lessor.

10. INDEMNIFICATION BY LESSEE.

(a) The Lessee agrees to indemnify and hold Lessor, its shareholders, agents, employees, officers, directors, successors, and assigns, harmless from and, at the Lessee's own expense, shall defend the Lessor, its agents, employees, officers, directors, successors, and assigns from and against any and all liabilities relating to, or resulting from, or in any way arising out of:

(i) Lessor's purchase and acquisition of any Equipment;

(ii) the actual or alleged, acceptance, installation, manufacture, remanufacture, location, possession, maintenance, condition (including without limitation, latent and other defects whether or not discoverable by Lessor), use, operation, control, loss, damage, destruction, removal, purchase, transportation, return, storage, surrender, sale or other disposition of any Equipment (collectively, "Lessee's Use") but excluding only any liabilities to the extent resulting from Lessor's sale or other disposition of the Equipment at a time other than (i) after an Event of Default occurs hereunder, (ii) pursuant to the exercise of Lessee's option to purchase the Equipment pursuant to Section 25 hereof, or (iii) pursuant to Lessor's exercise of any of Lessor's Rights and Remedies.

(iii) any accident or other occurrence in connection with Lessee's Use of any Equipment resulting in or involving damage to property or injury to any person;

(iv) all costs, charges, damages or expenses for royalties and/or claims and expenses of litigation, arising out of or in any way connected with the assertion of any Claims based upon any infringement or alleged infringement of any patent or other right by or in respect of any Equipment; or

(v) strict liability in tort.

(b) If any party entitled to indemnity under this Section 10 (an "Indemnatee") shall have received written notice of any liability indemnified against under this Section 10, it shall give prompt notice thereof to the Lessee, but the failure to give such notice shall not affect any obligation of Lessee under this Section 10. If Lessee shall have received written notice of any liability indemnified against under this Section 10, it shall give prompt written notice thereof to Lessor and each Indemnatee. In case any action, including any investigatory proceeding, shall be brought against, or commenced with respect to, any Indemnatee in respect of which the Lessee is required to indemnify such Indemnatee pursuant to the provisions of this Section 10, the Lessee shall have the right to assume the defense thereof, including the employment of counsel satisfactory to such Indemnatee and the payment of all expenses. In the event the Lessee assumes the defense of any

such action, any Indemnitee shall have the right to employ separate counsel in such action and participate therein, but the fees and expenses of such counsel shall be at the expense of such Indemnitee, unless (i) the employment of such counsel has been specifically authorized by the Lessee, (ii) the named parties to such action (including any impleaded parties) include both such Indemnitee and the Lessee and representation of such Indemnitee and the Lessee by the same counsel would be inappropriate under applicable standards of professional conduct due to actual or potential conflicting interests between them or (iii) the counsel employed by the Lessee and satisfactory to such Indemnitee has advised such Indemnitee, in writing, that such counsel's representation of such Indemnitee would be likely to involve such counsel in representing differing interests which could adversely affect either the judgment or loyalty of such counsel to such Indemnitee, whether it be a conflicting, inconsistent, diverse or other interest (in which case the Lessee shall not have the right to assume the defense of such action on behalf of such Indemnitee; it being understood, however, that the Lessee shall not, in connection with any one such action, or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys, and of any local counsel retained by said firm, at any one time for each such Indemnitee, which firm shall be

designated in writing by such Indemnitee). The Lessee shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the Lessee or if there be a final judgment, beyond further review or appeal, in any such action, the Lessee agrees to indemnify and hold harmless any Indemnitee from and against any loss or liability by reason of such settlement or judgment.

(c) The indemnification by Lessee under this Section 10 shall survive the payment of all other obligations under, and termination of, this Master Equipment Lease Agreement, any Lease and the Lease Term of all Equipment leased hereunder.

(d) Lessee shall not settle any action without Lessor's consent; provided, however, that such settlement may be effected without such consent if it is a settlement solely for monetary amounts all of which are paid in full by Lessee.

(e) Notwithstanding anything to the contrary contained in this Section 10, Lessor shall have the option to participate in any litigation through its attorneys and, if it is dissatisfied with Lessee's handling thereof, to control the defense as to Lessor in any such action (at Lessee's expense).

(f) Lessee is an independent contractor and nothing contained herein or in any Lease shall authorize Lessee or any other person to operate any item of Equipment so as to incur or impose any liability or obligation for or on behalf of Lessor or its assigns.

11. USE AND OPERATION OF EQUIPMENT.

(a) Lessee warrants and agrees that each item of Equipment will at all times during which such Equipment is in use in revenue service:

(i) be used and operated under and be in compliance with the laws of the jurisdiction in which the Equipment may be located;

(ii) be in compliance with all laws of the jurisdictions in which operations involving any Car subject to this Lease may extend, with the interchange rules of the American Association of Railroads ("AAR") and the Federal Railroad Association ("FRA") and with all rules of the Interstate Commerce Commission ("ICC") and any other legislative, executive, administrative or judicial body or any non-governmental body or entity exercising any power or jurisdiction over any such Car, to the extent such laws and rules affect the operations or use of such Car; and in the event such laws or rules require the alteration of any such Car, the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not adversely affect the property or rights of the Lessor hereunder.

(iii) be in compliance with all of the terms and conditions of any insurance policies required to be maintained hereunder; and

(iv) be solely used for commercial or business purposes.

(b) Lessee agrees to obtain and maintain in effect all licenses, certificates, permits and other approvals and consents, if any, required by federal, state, county, and municipal laws and regulations in connection with the possession, use, operation and maintenance of the Equipment.

12. IMPROVEMENTS, MAINTENANCE AND REPAIR OF EQUIPMENT;  
INSPECTION BY LESSEE.

(a) Lessee will, at its own expense, at all times and continuously during the Lease Term and until the Equipment is returned pursuant to Section 18 hereof:

(i) keep, repair, maintain and preserve the Cars in conformity with all applicable laws and regulations, including, without limitation, the AAR Code of Interchange Rules and FRA Railroad Freight Car Safety Standards, 49 CFR Part 215, as amended. If repairs or alterations to the Cars not presently contemplated by the parties are required by any governmental or non-governmental agency having jurisdiction over the operation, safe condition, maintenance or use of the Cars, Lessee shall promptly make such repairs or alterations.

(ii) without in any way limiting the generality of clause (i) above, Lessee will, at its own expense:

(1) apply, maintain and remove, as required, all interior protective linings and coatings,

(2) clean and/or specially prepare the interior of the Cars to make them suitable for the shipment of the commodities being transported by Lessee,

(3) cause the following procedures to be conducted with respect to each Car on or before the date required by the AAR Code of Interchange Rules or other applicable regulations:

(x) a valve test (but in any event before the fifth anniversary of the Lease Commencement Date of such Equipment),

(y) a hydrostatic test of each tank (but in any event before the tenth anniversary of the Lease Commencement Date of such Equipment), and

(z) a so-called "C, O, T & S" test (but in any event before the sixteenth anniversary of the Lease Commencement Date of such Equipment).

(b) Lessee is responsible for having each Car visually inspected prior to each loading to determine whether such Car is suitable for receiving, transporting and discharging the commodity to be loaded therein. Without in any way limiting the generality of any other provision of this Master Equipment Lease Agreement (including, without limitation, Section 10 hereof), Lessee shall indemnify and hold Lessor harmless from all claims resulting from conditions which have or should have been determined from such inspection. Without in any way limiting the generality of any other provision of this Master

Equipment Lease Agreement (including, without limitation, Section 10 hereof), in addition, Lessee shall be responsible for any loss of or damage (including corrosion damage) to any commodity, or to any Car or part thereof caused by the commodity contained therein or incurred in the process of loading or unloading such commodity, or caused by the chemical environment in which the Car is loaded, unloaded or stored, and Lessee shall indemnify Lessor from all claims resulting therefrom. As between Lessee and Lessor, Lessee shall be responsible for any and all risk of loss of, damage to, or destruction of any Car, or part thereof.

(c) Lessee shall promptly notify Lessor of any alleged liabilities with respect to the Equipment or any accident allegedly resulting from the use or operation thereof.

(d) Lessee shall not alter any Equipment or change or replace any equipment thereon or make any addition to any Equipment except in compliance with Section 12(a) and unless such alteration, change, replacement or addition will not diminish the value or utility of such Equipment below the value, utility and condition thereof, immediately prior to such alteration, change, replacement or addition, assuming such Equipment was then in the condition required to be maintained by the terms of this Lease. Any and all additions to any Equipment, and any and all parts installed on and additions and replacements made to any Equipment, shall constitute accessions to such Equipment and, at the cost and expense of Lessee, full

ownership thereof free from any lien, charge, security interest or encumbrance shall immediately be vested in Lessor.

13. LESSOR'S REPRESENTATIONS, COVENANTS AND WARRANTIES.

Lessor hereby represents, covenants and warrants to Lessee that Lessor has the full right and authority to enter into this Lease on the terms herein stated. Lessor further represents, covenants and warrants that so long as there shall have occurred no Event of Default Lessee shall peaceably and quietly hold, possess and use the Equipment during the term of this Lease as against any interruptions by Lessor or any person claiming solely by, through, or under Lessor.

14. RISK OF LOSS. From the date on which the Equipment is accepted by Lessee for lease hereunder, and until the Equipment has been redelivered to the Lessor and is in its possession as provided herein, the Lessee shall bear all risks of loss, damage, theft or destruction of the Equipment from whatsoever source arising. No such loss, damage, theft or destruction of the Equipment, in whole or in part, shall impair the obligations of Lessee under this Lease, all of which shall continue in full force and effect. Lessee shall notify Lessor promptly in writing of any loss, damage, theft or destruction of any item of Equipment and of the circumstances and extent of such occurrence. In the event of any loss, damage, theft or destruction of the Equipment or any part thereof ("Casualty Occurrence"), the Lessee, at the Lessee's option, shall either (a) replace, restore or repair the Equipment to the full satis-

faction of Lessor, or (b) pay to the Lessor an amount equal to the Stipulated Loss Value of the Equipment, if any, then applicable in respect of the month during which such Casualty Occurrence occurred, as set forth in the Rental Schedule regarding such Equipment. In each case, the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss, damage, theft or destruction shall be applied to the cost of effecting such replacement, restoration or repair, or shall reduce the amount otherwise payable by Lessee to Lessor after compliance with the foregoing to Lessor's satisfaction; provided, however, that so long as Lessee is not in default under this Lease, Lessee shall be subrogated to Lessor's rights with respect to any insurance policies maintained by Lessee or claims for reimbursement by others with respect to such loss, damage, theft or destruction, and in the event that Lessee exercises option (b) above, Lessee shall make said payments to Lessor on the Payment Date next following the date on which Lessee has given Lessor notice of the option elected, together with the Basic Rent due and payable through and inclusive of the Basic Rent Payment due on such Payment Date and any other amounts due and payable under this Lease. Upon receipt of said payments, Lessor will transfer to Lessee, without recourse or warranty, on an "As Is", "Where Is" basis, all of Lessor's right, title and interest, if any, in and to the Equipment with respect to which such loss, damage, theft or destruction occurred, whereupon this Lease with respect to that item of Equipment shall

terminate and the rental amount associated with that item of Equipment shall cease (except for the payment of Basic Rent referred to in the preceding sentence). Lessor shall not be obligated to undertake, by litigation or otherwise, the prosecution of any claims against any person for loss, damage, theft or destruction of the Equipment.

15. LESSOR'S RIGHT TO PERFORM. If Lessee fails to duly and promptly perform any of its obligations under this Lease (except for the payment of rent) or fails to comply with any of the covenants or agreements contained herein, Lessor may itself perform such obligations or comply with such covenants or agreements, for the account of Lessee without thereby waiving any default, and any amount paid or expense (including attorneys' reasonable fees, expenses, and disbursements) incurred by Lessor in connection with such performance or compliance shall, together with interest thereon at the Default Interest Rate, be payable by Lessee to Lessor on demand.

16. ANNUAL REPORTS; INSPECTION OF EQUIPMENT.

(a) On or before April 30 of each year, commencing with April 30 next following the date hereof, Lessee will cause to be furnished to Lessor, if requested, an accurate statement, as of the immediately preceding December 31:

(i) showing the amount, description and identifying numbers of all items of Equipment that may have suffered a Casualty Occurrence during the preceding twelve (12) months (or since the date of this Lease, in the case of the first such statement), and such other information regarding the

condition and state of repair of such items of Equipment as Lessor may reasonably request;

(b) Lessor shall have the right at its sole cost and expense during Lessee's normal business hours and subject to Lessee's reasonable operating convenience, by its authorized representatives to inspect the items of Equipment, and Lessee's records with respect thereto including, without limitation, records with respect to receivables, rentals received, and similar matters, during the Lease Term.

(c) At Lessor's request, Lessee shall furnish as soon as it is available each year an audited statement of income and balance sheet of CBI Industries, Inc. and its subsidiaries, and in the event that Lessee or Guarantor is no longer a subsidiary of CBI Industries, Inc., such financial information concerning Lessee and Guarantor as Lessor may reasonably request.

17. INSURANCE.

At all times during the Lease Term and until the Equipment has been returned to Lessor pursuant to the provisions hereof, Lessee will at its sole cost and expense, (i) insure the risk of physical damage (including, without limitation, theft and collision), in an amount not less than the Lessee's coverage in effect from time to time with respect to other equipment of a similar nature owned or leased by Lessee which presently provides master property coverage for all property owned, used or intended for use by Lessee and property of others in Lessee's care, custody or control, including all risks of direct physi-

cal loss, in an approximate amount of \$2,000,000 after a deductible of \$100,000, and (ii) insure the Equipment against liability for bodily injury, death and third-party property damage (including coverage for Federal Employer's Liability Act) resulting from the use and operation of the Equipment in an amount per occurrence not less than is provided in Lessee's coverage in effect from time to time with respect to other equipment of a similar nature owned or leased by Lessee which presently provides for an amount not less than \$5,000,000 per occurrence after a deductible of \$1,000,000. The coverage policy or policies referred to in clauses (i) and (ii) will name Lessor as a loss payee and an additional insured, respectively. The policies of insurance required under this Section shall be valid and enforceable policies issued by insurers authorized to do an insurance business, where applicable, in the state in which each item of Equipment is located. Upon the execution of this Lease and thereafter not more than thirty (30) days prior to the expiration dates of any expiring policies theretofore furnished under this Section, upon request of Lessor, binders of such policies required by this Section shall be delivered by Lessee to Lessor; provided, however, that Lessor may accept copies of the policies, certificates of insurance or other satisfactory evidence in lieu of original policies. Such policies may be blanket policies covering other equipment not subject to this Lease, provided that any such blanket policy, or certificate of

insurance issued with respect thereto, shall insure the Equipment covered thereby to the full extent of the coverages and amounts required hereunder. Notwithstanding the foregoing, all such insurance shall be in amounts and cover such risks customarily insured against by comparable companies similarly situated and operating a similar business and shall in no event provide less coverage than is provided in respect of other similar equipment owned or leased by Lessee.

18. RETURN OF EQUIPMENT.

(a) Upon the expiration or earlier termination of the Lease Term of any Equipment, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of the Cars to the Lessor upon such storage tracks (other than Lessee's storage tracks) or at such interchange point(s) as the Lessor may reasonably designate or in the absence of designation by the Lessor, then at no more than 10 locations as the Lessee may reasonably choose. The condition of the Cars upon such return shall be in Good Operating Condition.

(b) When the Lessee has assembled such Cars as it then proposes to return, at the locations selected by the Lessor or the Lessee as hereinbefore provided, the Lessee shall notify the Lessor in writing of the availability of the Cars at the designated storage locations for inspection to determine whether the Cars are in Good Operating Condition. Such determination shall be made by Lessor (scheduled at the reasonable convenience of Lessee and Lessor) in respect of the items of

returned Equipment and such determination by Lessor shall be deemed conclusive regarding the condition of the Equipment covered thereby. The Lessee shall permit the Lessor (or cause the Lessor to be permitted) to store the Cars on such tracks free of charge for a period not exceeding thirty days, said thirty-day period to begin upon Lessee's notification as hereinbefore provided and shall transport the same to a mutually agreed interchange point(s). The assembling, delivery, transporting, movement and storage of the Cars prior to Lessee's notification and within said thirty-day period shall be at the expense and risk of the Lessee; provided, however, that movement and storage of any Car after such thirty-day period shall continue to be at the risk of Lessee for any Cars which are not determined by Lessor to be in Good Operating Condition.

(c) Unless otherwise agreed, if no movement instructions are given by the Lessor within such thirty-day period, the movement and storage of any Cars which are determined by Lessor to be in Good Operating Condition after such thirty-day period shall be at the expense and risk of the Lessor and Lessee shall not be responsible for any maintenance or repair to the Cars after such period. If the Lessor instructs the Lessee to store any Cars which are in Good Operating Condition for a period beyond thirty days after the expiration of this Lease with respect to such Car, such additional storage shall be (i) at the expense (at prevailing rates) and risk of the Lessor and

(ii) at such locations (other than storage tracks owned by Lessee) as Lessor may designate.

(d) Any Cars which are not determined by Lessor to be in Good Operating Condition after said thirty-day period shall be brought up to Good Operating Condition. When such Cars are in Good Operating Condition, Lessee shall notify Lessor in writing of the availability of such Cars at their designated storage location for inspection by Lessor as aforesaid to determine whether the Cars are in Good Operating Condition. Lessor shall have 14 days from receipt of such notification to inspect such Cars and provide movement instructions.

(e) During any storage period provided hereunder the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Car, to inspect the same at their own risk at such reasonable time or times as the Lessee shall agree to; provided, however, that Lessee shall be liable in the case of wanton or wilful misconduct or intentional wrongful acts for any injury to or death of any such person exercising such rights.

(f) The assembling, delivery, storage and transporting of the Cars as hereinbefore provided in this Section 18 are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific

performance of the covenants of the Lessee so to assemble, deliver, store and transport the Cars.

(g) "Good Operating Condition" means that the Cars will be (i) be in conformity with and meet all requirements of the Interchange Rules, the AAR's Manual of Standards, all rules and regulations of the AAR and FRA, the requirements of any other governmental or non-governmental agency having jurisdiction over the operation, safe condition, maintenance or use of the Cars and the Lessee's specifications for the Cars as provided to the Manufacturer, (ii) acceptable for any interchange use, (iii) legibly marked with those marks reasonably necessary for purposes of identification to meet AAR or other requirements, (iv) have attached or affixed thereto any accession, title to which is in the Lessor pursuant to the provisions of Section 12 hereof, and have removed therefrom at Lessee's expense any addition, modification or improvement title to which is in the Lessee or any other person pursuant to Section 12, and (v) shall be without damage caused by excessive or unbalanced loading, excessive, unusual or avoidable damage caused to such Cars by open flames, vibrations, sledges or similar devices during loading or unloading operations, or damage caused to the Cars resulting from damaged safety appliances.

19. TITLES AND LIENS.

(a) The Lessee agrees that the Equipment is and shall at all times remain the sole and exclusive personal property of the Lessor, and that it has not and by the execution of this

Lease it will not have or obtain any right, title or interest, legal or equitable, in or to the Equipment, other than the right to possess and use the Equipment for the term hereof, subject to the Lessee's compliance with all of the terms and conditions of this Lease.

(b) The Lessee will at all times protect and defend, at its own cost, the title of the Lessor from and against all Claims, (excepting only a Claim to the extent it is based on a Lessor Lien) and shall give to the Lessor immediate notice thereof and indemnify the Lessor from any loss caused thereby, and shall not attempt to purport to sell, assign, transfer, pledge, hypothecate, mortgage or otherwise encumber in any manner the Lessor's interest in this Lease, the Equipment or any interest therein. Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than Lessor Liens) upon or with respect to any Equipment, including any accession thereto, or the interest of Lessor or Lessee therein, and will promptly discharge any such lien, claim, security interest or encumbrance which arises. Lessee shall be entitled, at its expense, to contest in good faith any such lien, charge, security interest or encumbrance so long as there is no adverse effect upon Lessor's title or interest in the Equipment or under this Lease.

20. EVENTS OF DEFAULT; REMEDIES. If, during the Lease Term, one or more of the following events ("Events of Default") shall occur:

(a) Default shall be made in the payment of the Interim Rent or Basic Rent hereunder and any such default shall continue for more than seven (7) days;

(b) Default shall be made in the payment of any other obligation provided for in this Lease, and any such other default shall continue for more than ten (10) days after notice thereof to Lessee; or

(c) Lessee shall default in the observance and/or performance of any covenant, condition and agreement on the part of Lessee to be observed and/or performed under this Lease and such default shall continue for thirty (30) days after the date of notice from Lessor to Lessee specifying the default and demanding the same to be remedied; or

(d) Any representation or warranty made by Lessee or Guarantor herein or in the Guaranty Agreement or in any financial report, document or certificate furnished to Lessor in connection herewith or therewith or pursuant hereto or thereto shall at any time prove to be incorrect when made in any material respect or to have contained an omission of any material fact necessary to make the statements contained therein not misleading; or

(e) Lessee or Guarantor shall make or permit any unauthorized assignment or transfer of this Lease or of the

Lessee's rights and obligations hereunder, or Lessee shall make or permit any unauthorized sublease or transfer of any Equipment, or the possession of same; or

(f) Lessee or Guarantor shall make an assignment for the benefit of or enter into a composition with its creditors, or cease being in substantially the same line or lines of business in which it is presently engaged, or cease doing business as a going concern, or become insolvent or bankrupt or admit in writing its inability to pay its debts as they mature, or consent to the appointment of a trustee or a receiver shall be appointed for it or for a substantial part of its property without its consent and such appointment shall not be dismissed for a period of sixty (60) days, or its commencement of a voluntary case under Title 11 of the United States Code, as from time to time in effect, by the commencement against it seeking relief as a debtor under any applicable law, other than said Title 11, of any jurisdiction relating to the liquidation or reorganization of debtors or the modification of the rights of creditors, by the entry of a court order finding it to be bankrupt or insolvent, ordering its liquidation or reorganization or assuming custody or appointing a receiver or other custodian of its property; or

(g) a writ of attachment or execution is levied on any of the Equipment and not released or satisfied within five (5) business days thereafter; or

(h) Lessee or Guarantor shall be in default or an event of default shall occur under any promissory note, agreement or other liability or obligation of the Lessee or Guarantor to Lessor for borrowed money, however evidenced; or

(i) Guarantor shall be in default or an event of default shall have occurred under the Guaranty Agreement; then in any such case, the Lessee shall be in default under this Lease and the Lessor may in its sole discretion at any time, without notice or demand, take any one or more of the following actions:

(1) immediately terminate the Lessee's rights hereunder and require the Lessee, at its expense, promptly to return all or any portion of the Equipment to the possession of the Lessor at such place within the United States as the Lessor may designate, or without demand or legal process, acting directly or through its agents, enter upon the premises of the Lessee or other premises where the Equipment may be located and take possession of the Equipment and thereupon the Lessee's right to possession thereof shall absolutely cease and terminate; or

(2) by notice to the Lessee declare immediately due and payable the present value of all unpaid rentals and other amounts payable by the Lessee hereunder at a discount rate equal to 10% including the aggregate unpaid rentals specified herein, and thereupon such unpaid rentals and other amounts shall become so due and payable; or

(3) sell all or any portion of the Equipment at public or private sale (giving the Lessee at least twenty (20) days'

prior notice of the time and place of any such public sale, or the time after which a private sale may be made, which notice the Lessee hereby agrees is reasonable); or

(4). proceed by appropriate court action or actions, either at law or in equity, to enforce Lessor's rights hereunder, including the right to enforce performance by the Lessee of the applicable representations, covenants, warranties, agreements and provisions hereof or to recover damages, or in aid of the exercise of any power, right or remedy granted herein.

21. ADDITIONAL REMEDIES. If an Event of Default shall occur, the Lessor may in its sole discretion, and in addition to any other remedies, at any time, without notice or demand, take any one or more of the following actions:

(a) With respect to the Equipment returned to Lessor, or repossessed by Lessor pursuant hereto, Lessor may hold or use such Equipment for any purpose whatsoever if this Lease has been terminated, or if it has not been terminated, Lessor shall either sell the same at a private or public, cash or credit sale, or re-lease the same for such term and upon such rental as shall be solely determined by Lessor. In the event of the sale or re-leasing by Lessor of any such Equipment, Lessee shall be liable for, and Lessor may forthwith recover from Lessee as liquidated damages for breach of this Lease and not as a penalty, an amount equal to the Stipulated Loss Value of such Equipment less proceeds received or receivable by Lessor as a result of such sale or re-leasing (in the case of a

re-lease, the proceeds shall be computed as the present value of the rents receivable discounted at the rate of 10%). It is agreed that the liquidated damages set forth herein constitute the actual presumed loss to the Lessor from such termination of the Lease Term.

(b) Whether or not any Equipment is repossessed by Lessor, as aforesaid, Lessee shall also be liable for, and Lessor may forthwith recover from Lessee, all unpaid rent and other sums that accrued prior to the date of Lessee's default.

(c) TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE LESSEE HEREBY WAIVES ANY RIGHT TO PRIOR NOTICE OR JUDICIAL HEARING IN CONNECTION WITH THE LESSOR'S TAKING POSSESSION OR THE LESSOR'S DISPOSITION OF ANY OF THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT WHICH THE LESSEE WOULD OTHERWISE HAVE UNDER THE CONSTITUTION OR ANY STATUTE OF THE UNITED STATES OR ANY STATE OR OTHER JURISDICTION THEREOF. The Lessee expressly waives any damages occasioned by such taking of possession and agrees to pay all costs and expenses incurred by the Lessor in exercising any of its rights or remedies hereunder or in enforcing the provisions hereof.

(d) In addition to the foregoing, Lessor may also recover from Lessee all reasonable costs and reasonable expenses, including, without limitation, attorneys' reasonable fees, expenses, and disbursements and fees of collection agencies,

incurred by Lessor in exercising any of its rights or remedies hereunder.

(e) In the event that any court of competent jurisdiction determines that any provision of Sections 20 or 21 are invalid or unenforceable in whole or in part, such determination shall not prohibit Lessor from establishing its damages sustained as a result of any breach of this Lease in any action or proceeding in which Lessor seeks to recover such damages.

(f) The rights, remedies, powers, privileges, and discretions of the Lessor under Sections 20 and 21 hereof (collectively, "Lessor's Rights and Remedies") shall be cumulative and not exclusive of any rights or remedies which it would otherwise have at law or in equity, and no delays or omissions by the Lessor in exercising or enforcing any of the Lessor's Rights or Remedies shall operate as or constitute a waiver thereof. No waiver by the Lessor of any default hereunder or under any other agreement shall operate as a waiver of any other default hereunder or under any other agreement. No single or partial exercise of the Lessor's Rights and Remedies, and no other agreement or transaction, of whatever nature entered into between the Lessor and the Lessee at any time, whether before, during, or after the date hereof, shall preclude the other or further exercise of the Lessor's Rights and Remedies. No waiver or modification on the Lessor's part on any one occasion shall be deemed a waiver on any subsequent occasion, nor shall it be deemed a continuing waiver. All of

the Lessor's Rights and Remedies under this Master Equipment Lease Agreement or the Lease or any other agreement or transaction shall be cumulative, and not alternative or exclusive, and may be exercised by the Lessor at such time or times and in such order of preference as the Lessor in its sole discretion may determine.

22. ASSIGNMENT AND SUBLETTING.

(a)(i) Lessee shall not assign, transfer or sublease any of its rights, obligations or interests in or to this Lease or any of the Equipment, or part with the possession and control of, or suffer to pass out of its possession or control, any of the Equipment except to the extent permitted in subsection (a)(ii) or (a)(iii) or this Section 22, without the prior written consent of the Lessor, and any such purported assignment, transfer or sublease shall be void.

(ii) Notwithstanding subsection (a)(i), the Lessee may sublease any of the Equipment to a credit-worthy person for a period of no longer than 90 days without Lessor's consent; provided that Lessee shall promptly advise Lessor of each such sublease after the execution thereof and that any such sublease entered into by Lessee hereunder shall be in writing and signed by Lessee and such sublessee and shall provide (A) that the Equipment shall be used only as provided in subsection (a)(iii) of this Section 22 and otherwise in accordance with this Lease, (B) that Lessee shall remain primarily liable to perform and discharge all

of its obligations hereunder (including its obligations in respect of the maintenance of the Equipment), (C) that the rights of the sublessee under such sublease shall be expressly subject and subordinate to all of the terms and conditions of this Lease and to Lessor's right to repossess the Equipment pursuant to this Lease, (D) that Lessee and such sublessee shall have executed and delivered to Lessor, at Lessee's expense, such Uniform Commercial Code financing statements or similar documents as Lessor may deem to be necessary or desirable (each in form and substance satisfactory to Lessor), and (E) Lessee shall, and hereby does, assign as collateral security for Lessee's obligations under this Lease, all of Lessee's right, title and interest in and to all such subleases and undertakes to provide to Lessor, upon request, the original executed copy of each such sublease so as to perfect Lessor's security interest therein.

(iii) As long as no Event of Default or any event which, with the passage of time or notice or both, would constitute an Event of Default, shall have occurred and be continuing, Lessee may use the Equipment upon the lines of railroad owned or operated by it (either alone or jointly) or by any corporation, a majority of whose voting stock (i.e., having ordinary voting power for the election of a majority of its Board of Directors) is owned directly or indirectly by Lessee, or upon lines of railroad over which the Lessee or such corporation has trackage or other

operating rights or over which equipment of Lessee is regularly operated pursuant to contract or upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements, but only upon and subject to all the terms and conditions of this Lease; provided, however, that, notwithstanding the foregoing, Lessee shall at no time throughout the Lease Term use or assign or permit the assignment of any Equipment to or in service (including, without limitation, the regular operation or maintenance thereof) outside the continental United States.

(b) The Lessor may at any time, without notice to or consent of the Lessee, assign for security or otherwise all or any portion of its right, title and interest in, under and to this Lease, any of the rentals and other sums at any time due or to become due or at any time payable by the Lessee under any of the provisions of this Lease, and in and to the Equipment covered thereby; provided, however, that so long as no Event of Default or event which, with the passage of time or notice or both, would constitute an Event of Default, has occurred and is continuing hereunder, no such assignment shall be made during the Lease Term to any major industrial gas producer or gas manufacturer. After notice of such assignment has been given by the Lessor to the Lessee, all sums payable by the Lessee hereunder, including, without limitation, all rentals specified herein and all additional rentals and other amounts payable by the Lessee hereunder, shall be paid by the Lessee to such

assignee. No such assignee shall be obligated to perform any duty, covenant or condition required to be observed or performed by the Lessor and the Lessee agrees that the Lessee will not assert against any such assignee any claims by way of abatement, defense, set-off, counterclaim, re-coupment or otherwise which the Lessee may have by reason of any default by the Lessor under this Lease or any other agreement. Subject to the foregoing provisions, whenever the term "Lessor" is used herein, said term shall after such assignment or any further assignment mean and include any assignee or subsequent assignee then holding any rights of the Lessor hereunder and such assignee or subsequent assignee shall take such assignment subject to the Lessee's rights under Section 13 hereof. However, nothing herein shall relieve Lessor from its obligations to Lessee hereunder. After any such assignment this Lease may not be amended or modified without the prior consent of any such assignee. Upon any assignment of this Lease or the granting of any mortgage on, or security interest in, any of the Equipment, if requested by Lessor or such assignee in accordance with the laws of the appropriate jurisdiction, Lessee shall provide Lessor with an acknowledgement of the assignment.

23. TAX INDEMNITY.

(a) Lessee agrees that in the event and under any circumstances the Lessor shall lose, or shall not have, or shall lose the right to claim, or shall suffer a disallowance of, or shall be required to recapture all or any portion of the

tax deductions or other tax benefits to which it would have been entitled for any part of the Lease Term (the "Tax Benefits") if (i) the Lease qualified as a "true lease" for federal, state and local income tax purposes and (ii) the Equipment qualified as seven-year recovery property under Section 168 of the Code (any such loss, disallowance or recapture being hereinafter referred to as a "Loss"), Lessee shall pay Lessor a lump sum payment in an amount which, in the opinion of Lessor, and after deduction of all taxes, however imposed, which are required to be paid by Lessor as a result of Lessor's receipt of such amount under the laws of the United States or any political subdivision thereof or any foreign taxing authority (calculated on the assumption that such taxes are payable at the highest then applicable marginal tax rate), will cause Lessor's net after-tax economic and accounting return over the term of the Lease to equal the net after-tax economic and accounting return that would have been realized by Lessor if such Loss had not occurred (computed on the same assumptions as utilized by Lessor in originally evaluating this transaction), and Lessee shall, in addition, forthwith pay to Lessor an amount which, after the deduction of any additional taxes, however imposed, which are required to be paid by Lessor as a result of Lessor's receipt of such amount (calculated on the assumption that such taxes are payable at the highest then applicable marginal tax rate) shall be equal to the amount of any interest, penalties or additions to tax which may be imposed in connection with such Loss. Lessee agrees to make

such payment within 30 days after receipt of notification from Lessor requesting such payment and describing in reasonable detail the nature of such Loss. Lessor agrees to use its best efforts to obtain the maximum deduction for depreciation to which it shall reasonably deem itself entitled with respect to the Equipment leased pursuant to this Lease.

(b) Notwithstanding anything to the contrary contained in this Section 23, Lessee shall not be required to pay an indemnity under this Section 23 with respect to a Loss to the extent such Loss results directly from:

(i) a disposition by Lessor of any item of Equipment or interest therein without the written consent of Lessee if such disposition occurs (A) while there is not an Event of Default under the Lease or (B) as a result of a Casualty Occurrence under the Lease, provided that full payment of Stipulated Loss Value and any other amounts payable under the Lease with respect to such Casualty Occurrence has been made by Lessee;

(ii) an amendment to, or change in, the Code, the regulations thereunder, or any precedential, administrative or judicial interpretations of the Code, or such regulations, which amendment or change is enacted or adopted after the Lease Commencement Date of the applicable Equipment subject to this Lease;

(iii) the failure of Lessor to have sufficient taxable income or sufficient income tax liability to enable it to use the Tax Benefits derived from this transaction; or

(iv) the failure of Lessor to claim properly or timely such Tax Benefits for the appropriate years, unless (A) the claiming of any such deductions would be inconsistent with any prior audit adjustment by the Internal Revenue Service (the "IRS") with respect to which Lessee is required to indemnify Lessor under this Lease, or (B) Lessor has determined based upon advice of counsel that such deductions are not properly allowable.

(c) Lessor agrees that it will pay to Lessee an amount equal to the sum of (i) the amount of any savings on federal income tax (or any interest or penalties or additions to tax, if any) realized by Lessor arising from a loss, disallowance or recapture of any Tax Benefit, which loss, disallowance or recapture resulted in the payment of the Loss by Lessee to Lessor hereunder plus, (ii) the amount of any after-tax benefits available to Lessor as a result of any payment to Lessee under clause (i) of this sentence; provided, however, in no event shall the amount computed pursuant to this subsection (c) exceed the amount paid to Lessor by Lessee as an indemnity with regard to such loss, disallowance or recapture of such Tax Benefit. No payment shall be required to be made under this Subsection (c) if there currently exists an Event of Default. All payments by Lessor hereunder shall be made within 30 days

after the date when such Tax Benefits are realized by Lessor and shall be accompanied by a description in reasonable detail of the computation of the amount so payable.

(d) If a claim shall be made at any time which, if successful, would require Lessee to pay the Loss to Lessor under this Master Lease Agreement ("Tax Claim"), subject to the terms and conditions of this Master Lease Agreement, Lessor shall contest a Tax Claim in good faith and shall consult with Lessee regarding the conduct of such contest; provided that any final decision regarding the conduct of such contest shall be made by Lessor. The rights and obligations of Lessor and Lessee regarding the conduct of such contest shall be subject to the following conditions:

(A) Within 30 days after notice by Lessor to Lessee of a Tax Claim, Lessee shall request that such Tax Claim be contested;

(B) At least 15 days prior to Lessor taking any action to contest such Tax Claim, Lessee, at Lessee's expense, shall furnish Lessor in a timely manner with an opinion satisfactory in form and substance to Lessor of an independent tax counsel satisfactory to Lessor ("Independent Tax Counsel") to the effect that there exists a reasonable basis for contest at the administrative level;

(C) Lessor shall control all proceedings in connection with such Tax Claim and, after consultation with

Lessee, in Lessor's sole discretion, may (i) forego or terminate any and all administrative appeals, proceedings, hearings and conferences with the IRS ("IRS Proceedings"), (ii) pay the Tax Claim and sue for a refund in the appropriate United States District Court or United States Claims Court, or (iii) contest such Tax Claim in the United States Tax Court; provided that, if Lessor shall lose the right to contest the merits of any such Tax Claim as a result of Lessor's foregoing or terminating any IRS Proceedings, Lessee shall have no obligation to indemnify Lessor for any Loss resulting from such loss of right to contest, unless Lessor foregoes or terminates such IRS Proceedings as a result of Lessee's breach of any provision of this Master Lease Agreement;

(D) If Lessor shall have elected hereunder to pay a Tax Claim and then seeks a refund, Lessee will advance to Lessor sufficient funds, on an interest free basis, to pay such Tax Claim;

(E) Lessee shall indemnify Lessor in a manner satisfactory to Lessor for any liability, loss, cost or expense related to such Tax Claim, which the Lessor may incur from time to time as a result of contesting such Tax Claim, including without limitation, reasonable attorneys' and accountants' fees and disbursements, and the amount of any interest, additions to tax or penalties which may ultimately be payable as a result of contesting such Tax

Claim; Lessee shall pay the amount of such liability, loss, cost or expense to Lessor from time to time within 15 days after written demand for such payment is made by Lessor;

(F) Lessor shall have no obligation to file an action with respect to any such Tax Claim in the United States Tax Court, in a United States District Court or in the United States Court of Claims ("Trial Court"), unless Lessee, upon request by Lessor, shall have furnished Lessor with (i) security satisfactory to Lessor for Lessee's liability for indemnification under this Agreement with respect to such Tax Claim and (ii) a timely opinion of Independent Tax Counsel, at Lessee's expense, to the effect that it is more probable than not that Lessor shall prevail on the merits of the Tax Claim in the Trial Court; provided that, if Lessor elects to pay the Tax Claim and proceed directly to the Trial Court without first exhausting the available administrative remedies, such opinion of Independent Tax Counsel shall be to the effect that there exists a reasonable basis for contesting the Tax Claim;

(G) Lessor shall have no obligation to appeal an adverse Trial Court decision with respect to such Tax Claim unless Lessee, at its own expense, shall have furnished Lessor (i) with security satisfactory to Lessor for Lessee's liability for indemnification under this Master Lease Agreement with respect to such Tax Claim and (ii) a timely opinion of Independent Tax Counsel, at Lessee's

expense, to the effect that the likelihood of reversal of such Trial Court decision is substantially greater than the likelihood of affirmance; and

(H) Notwithstanding any of the other provisions in this Section 23, Lessee shall have no obligation to indemnify Lessor if Lessee complies with all provisions of this Section 23 and the Lessor fails to contest the Tax Claim.

(e) For purposes of this Section 23, "Lessor" shall include (i) Lessor and any affiliated group within the meaning of Section 1504 of the Code of which Lessor is, or may become, a member if consolidated, joint or combined returns are filed for such affiliated group for federal, state and local income tax purposes and (ii) any assignee or transferee of Lessor, including any partnership to which Lessor transfers the Equipment, any partner in such partnership and any member of an affiliated group of which such assignee, transferee or partner is, or may become, a member, if consolidated, joint or combined returns are filed for such affiliated group for federal, state and local income tax purposes.

24. OPTION TO RENEW.

(a) Upon the expiration of the Primary Term with respect to each Rental Schedule, provided that Lessee has paid all rentals and all other sums then due by Lessee to Lessor, or which would become due upon the request of Lessor, as required under the provisions of this Lease, and provided that no Event

of Default, and no event which with the giving of notice of lapse of time, or both, would constitute an Event of Default, has occurred and remains unremedied to Lessor's satisfaction, Lessee shall have the option, exercisable on at least one hundred and eighty (180) days' prior notice to Lessor to renew the Lease Term with respect to all, but no less than all (except for items that have been destroyed and for which Lessor has received payment of the Stipulated Loss Value with respect thereto) of the Equipment then subject to said Rental Schedule up to two (2) successive additional terms (each of which being herein called a "Renewal Term") for one year each at a rental for each such Renewal Term at a rate that would be obtained in an arms-length transaction between an informed and willing prospective lessee and an informed and willing lessor under no compulsion to lease (said rate being herein called the "Fair Rental Rate").

(b) If, on or before a date sixty (60) days prior to the expiration of the Primary Term or any Renewal Term with respect to each Rental Schedule for which notice of Renewal has been given, Lessor and Lessee are unable to agree upon a determination of the Fair Rental Rate for the Equipment, Lessee shall have no obligation to renew this Lease. However, if Lessee wishes to proceed with its option, Lessee shall give notice to Lessor to the effect and the Equipment shall be leased during the Renewal Term at the Fair Rental Rate determined in accordance with the procedure for appraisal below provided that

the total term of the Lease, including the Renewal Term, shall not exceed seventy-five percent (75%) of the useful life of the item or items of Equipment in question.

(c) Appraisal shall mean a procedure whereby two recognized independent equipment appraisers, one chosen by the Lessee and one by the Lessor shall mutually agree upon the amount in question. Lessor or Lessee, as the case may be, shall deliver a notice to the other party appointing its appraiser within fifteen (15) business days after receipt from the other party of a notice appointing that party's appraiser. If within fifteen (15) days after appointment of the two appraisers as described above, the two appraisers are unable to agree upon the amount in question, a third recognized independent appraiser shall be chosen within five (5) days thereafter by the mutual agreement of such first two appraisers, or if such first two appraiser fail to agree upon the appointment of a third appraiser, such appointment shall be made by an authorized representative of the American Arbitration Association in Boston, Massachusetts, and the appraisal of the third appraiser so appointed and chosen shall be given within a period of ten (10) days after the selection of such third appraiser and the average of the two appraisals which are arithmetically closest to one another shall be deemed to constitute the Fair Rental Value and shall be binding and conclusive on Lessor and Lessee. Lessor and Lessee shall pay the fees of the respective appraisers appointed by them and

shall share equally the fees and expenses of the third appraiser, if any, and those of the American Arbitration Association, if applicable.

(d) After a determination of the Fair Rental Rate of the Equipment has been made in accordance with the procedure described above, Lessee's exercise of its option shall be effective upon the expiration of the Primary Term of the Rental Schedule in question.

25. OPTION TO PURCHASE.

(a) Upon the expiration of the Primary Term or any Renewal Term with respect to each Rental Schedule, provided that Lessee has paid all rentals and all other sums then due by Lessee to Lessor, or which would become due upon the request of Lessor, as required under the provisions of this Master Equipment Lease Agreement, and provided that no Event of Default, and no event which with the giving of notice or lapse of time, or both, would constitute an Event of Default, has occurred and then remains unremedied to Lessor's satisfaction, Lessee shall have the option, exercisable on at least one hundred and eighty (180) days prior notice to Lessor to purchase the Equipment with respect to all, but no less than all (except for items that have been destroyed and for which Lessor has received payment of the Stipulated Loss Value with respect thereto) of the Equipment then subject to said Rental Schedule, at the then fair market value.

(b) If, on or before a date sixty (60) days prior to the expiration of the Primary Term or any Renewal Term with respect to each Rental Schedule, Lessor and Lessee are unable to agree upon a determination of the fair market value for the Equipment, Lessee shall have no obligation to purchase the Equipment. However, if Lessee wishes to exercise its option at fair market value it shall so notify Lessor in writing, and such value shall be determined in accordance with the procedure for appraisal of the Fair Rental Rate as set forth in Section 24 hereto.

(c) After a determination of the fair market value of the Equipment has been made in accordance with the procedures described above, Lessor shall be obligated to sell the Equipment to Lessee and Lessee shall purchase the Equipment by payment to Lessor of the fair market value in cash upon the expiration of the Lease Term of the applicable Rental Schedule. Upon payment by Lessee to Lessor of the fair market value, in cash or wire transfer, Lessor shall deliver to Lessee title to the Equipment evidenced by a valid bill of sale conveying title from Lessor to Lessee. Lessee shall pay all Fees and Taxes arising from any purchase under this Section 25.

26. RECORDING AND FILING. Lessee shall, at its expense, upon Lessor's instructions, establish and make all recording, registrations and filings of this Lease (or a memorandum thereof if permitted under applicable law) and any mortgage, security interest, waiver, license, permit or certificate incident thereto, required by law or deemed reasonably neces-

sary by Lessor to protect its interests in the Equipment and this Lease (and any such lease), and shall furnish Lessor with satisfactory evidence of each recording, registration and filing..

27. FURTHER ASSURANCES. The Lessee shall execute and deliver to the Lessor, upon the Lessor's request, such documents, papers, instruments and assurances that the Lessor may reasonably deem necessary or desirable for the confirmation of the Lessor's rights hereunder. In furtherance thereof, the Lessee agrees to take whatever action may be necessary to enable the Lessor or any assignee of the Lessor to file, register or record, and re-file, re-register and re-record, this Lease and any financing statements or other documents requested by the Lessor or any assignee of the Lessor pursuant to the regulations of the Interstate Commerce Commission, the Uniform Commercial Code or otherwise. The Lessee authorizes the Lessor to effect any such filing (including, where permitted by applicable law, the filing of any financing statements without the signature of the Lessee) and the Lessor's expenses with respect thereto shall be payable by the Lessee on demand except expenses of assignment. NO SUCH FILING SHALL BE CONSTRUED AS AN INDICATION THAT THIS LEASE IS A LEASE INTENDED AS SECURITY.

28. MISCELLANEOUS.

28.1 Late Charges on Overdue Payments. Any nonpayment of Rent or Additional Rent or other amounts due hereunder shall

result after a period of ten (10) days in the obligation on the part of Lessee promptly to pay also an amount equal to the Default Interest Rate of the overdue Rent or Additional Rent or other amounts for the period of time which they are overdue.

28.2 Notices; Etc. All notices, requests, demands, consents, acknowledgements and other communications required or permitted to be given by either party hereto to the other shall be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, or by receipted hand delivery:

(a) If to the Lessor to:

State Street Boston Leasing Company, Inc.  
225 Franklin Street  
Boston, Massachusetts 02101  
Attn: Patricia W. Jenkins, Vice President  
Leasing Division

or to such other person at such address as the Lessor shall designate to Lessee in writing;

(b) If to the Lessee to:

Liquid Carbonic Carbon Dioxide Corporation  
135 South LaSalle Street  
Chicago, Illinois 60603  
Attn: Treasurer

or to such other person at such address as the Lessee shall designate to Lessor in writing.

Any such notice or other communication shall be deemed received upon the earlier of receipt or written confirmation of receipt.

28.3 Entire Agreement; Amendments; Waivers. This Master Equipment Lease Agreement, including any Schedule and Exhibit hereto, sets forth the entire agreement between the parties with respect to the Equipment and the other subject matter of the Master Equipment Lease Agreement and supersedes any prior agreement relating thereto. Neither this Master Equipment Lease Agreement nor any provision hereof nor any Schedule or Exhibit hereto may be amended, modified, waived or discharged orally, but only by an instrument in writing signed by an officer of the party against which such amendment, modification, waiver or discharge is sought to be enforced; provided, however, that the Lessee authorizes the Lessor to insert herein the Manufacturer's serial numbers and any other information more specifically identifying the Equipment. Any failure by the Lessor to require strict performance by the Lessee of any terms, covenants or agreements herein shall not be construed as a consent or waiver of any other breach of the same or any other term, covenant or agreement herein. Any amendment, modification, waiver or discharge to any Schedule or Exhibit hereto shall be deemed to be an amendment, modification, waiver or discharge here.

28.4 Countersignature. This Master Equipment Lease Agreement and any Lease is not binding upon Lessor until a copy executed by the Lessee is received at the main office of the Lessor and is countersigned by a properly designated officer of the Lessor.

28.5 Governing Law. Lessor and Lessee agree that this Master Equipment Lease Agreement and any Lease shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts (without giving effect to conflicts of law provisions). The Lessee hereby irrevocably consents to the non-exclusive jurisdiction of the United States District Court for the District of Massachusetts and any court of The Commonwealth of Massachusetts which sits in the City of Boston over any action, suit or proceeding arising hereunder. The Lessee further waives any personal service of any and all process upon it and consents that all such service of process may be made by certified mail, return receipt requested, addressed to the Lessee at the address referred to in subsection 28.2 and service so made shall be complete when received by Lessee at such address.

28.6 Agreement for Lease Only. Lessor and Lessee agree that this Lease is and is intended to be a true lease (and not a lease intended as a security or a lease in the nature of a security interest) and further agree to treat same as a true lease for all purposes, including, without limitation, legal, tax, clerical and accounting.

28.7 Severability; Survival of Obligations; Successors and Assigns, Etc. If any provision of this Master Equipment Lease Agreement or any Lease conflicts with any statute or rule of law in any jurisdiction wherein it may be sought to be enforced, then said provision shall be deemed null and void to such

extent, but the invalidity or unenforceability of any such provision shall not effect the validity or enforceability of any other term or provisions hereof or thereof. All obligations of the Lessee hereunder shall continue until full performance has been rendered and shall not be released by any cancellation or termination hereof by the Lessor, but no obligation of the Lessor hereunder shall survive the term or earlier termination of this Master Lease Agreement or any Lease. Notwithstanding anything in this Master Lease Agreement or any Lease to the contrary, all of Lessor's rights and privileges arising from the indemnities contained in this Master Lease Agreement or any Lease shall survive the expiration or other termination of the Lease Term. This Master Equipment Lease Agreement and such Lease shall be binding upon the parties hereto and thereto, their heirs, legal representatives, successors and permitted assigns. Except as set forth herein, no Lessee shall have any right to subrogation, reimbursement or indemnity whatsoever and no right of recourse to any collateral for the obligations of the Lessee hereunder unless and until all of said obligations have been paid or performed in full. Should the Lessor permit the use of the Equipment beyond the term specified herein, the obligation of the Lessee to pay the rental specified and additional rentals and to perform the other obligations of the Lessee under this Master Equipment Lease Agreement or such Lease shall continue but such permissive use shall not be construed as a renewal of the term hereof nor a waiver of any

right or continuation of any obligation of the Lessor, and the Lessor may take possession of the Equipment at any time upon demand after thirty (30) days' notice, and the Lessee hereby expressly waives any right to prior notice and hearing with respect to any prejudgment remedy. Time is of the essence of this Master Equipment Lease Agreement in each and all of its provisions. Neither the Lessor nor the Lessee makes any representation, express or implied, concerning the legal character of the transaction evidenced hereby or as to the treatment thereof available to the Lessee for financial reporting or tax purposes. This Master Equipment Lease Agreement is not binding on the Lessor until accepted in writing by the Lessor at its principal place of business.

28.8 Headings. The headings of the Sections and subsections of this Master Equipment Lease Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of either such document.

28.9 Counterparts. This Master Equipment Lease Agreement may be executed in several identical counterparts, each of which when executed by the parties hereto and delivered shall be an original, but all of which together shall constitute a single instrument. In making proof of this Lease, it shall not be necessary to produce or account for more than one such counterpart. Lessor and Lessee agree that to the extent that this Lease constitutes chattel paper under the Uniform Commercial Code, no security interest in this Lease may be created through

the transfer or possession of any counterpart of this Lease other than only through transfer and possession of that counterpart of the Rental Schedule to this Lease marked "Lessor's Original."

28.10 Transaction Costs. Lessor and Lessee shall each pay its own expenses in connection with the execution and delivery of this Lease (including, without limitation, its respective fees, costs and expenses of its attorneys).

28.11 Other Provisions. See Attachment I which is incorporated herein by reference.

The undersigned agree to all the terms and conditions set forth above and In Witness Whereof have executed this Master Equipment Lease Agreement. The term "Lessee" as used herein shall mean and include any and all Lessees who sign hereunder, each of whom shall be jointly and severally bound hereby. This Master Equipment Lease Agreement is executed under and pursuant to due authorization.

THE LESSEE ACKNOWLEDGES RECEIVING AND  
HAVING READ A COPY OF THIS MASTER  
EQUIPMENT LEASE AGREEMENT

LIQUID CARBONIC CARBON DIOXIDE  
CORPORATION

By: Steven L. Biagini  
Steven L. Biagini  
Treasurer  
An authorized officer

Shirley A. Olsen  
Witness

LESSOR:

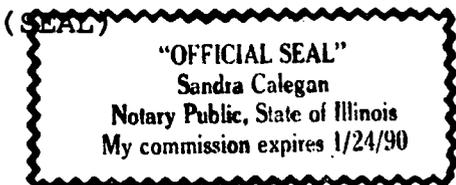
STATE STREET BOSTON LEASING  
COMPANY, INC.

By: Patricia W. Jenkins  
Patricia W. Jenkins  
Vice President

Paul K. Menden  
Witness

STATE OF Illinois )  
 ) ss.:  
COUNTY OF Cook )

On this 9th day of September, 1988 before me appeared Steven L. Biagini, to me personally known, who, being by me duly sworn (or affirmed), did say that he is the Treasurer of Liquid Carbonic Carbon Dioxide Corporation (being a corporation organized under the laws of Delaware and the corporation described in and which executed the above instrument), that he executed such instrument on behalf of Liquid Carbonic Carbon Dioxide Corporation by authority of the board of directors of Liquid Carbonic Carbon Dioxide Corporation and that he acknowledges the execution of the said instrument as the free act and deed of Liquid Carbonic Carbon Dioxide Corporation and that the statements contained therein are true and correct in all respects.



Sandra Calegan  
Notary Public

My commission expires on:

COMMONWEALTH OF MASSACHUSETTS )  
 ) ss.:  
COUNTY OF SUFFOLK )

On this 9 day of September, 1988 before me appeared Patricia W. Jenkins, to me personally known, who, being by me duly sworn (or affirmed), did say that she is a Vice President of State Street Boston Leasing Company, Inc., a Massachusetts corporation, the corporation described in and which executed the above instrument, that she executed such instrument on behalf of said corporation by authority of its board of directors and that she acknowledges the execution of the said instrument as the free act and deed of said corporation and that the statements contained therein are true and correct in all respects.

(SEAL)

Joseph K. Mendon  
Notary Public

My commission expires on: 1/14/91

ATTACHMENT I

None.

EXHIBIT A

RENTAL SCHEDULE NO. A- \_\_\_\_\_  
AND  
CERTIFICATE OF INSPECTION AND ACCEPTANCE

RENTAL SCHEDULE A- \_\_\_\_\_ and CERTIFICATE OF INSPECTION AND ACCEPTANCE to Master Equipment Lease No. 1 dated as of September 9, 1988 (the "Lease") by and between the undersigned, all of the terms and conditions of which Lease are hereby incorporated herein by reference. Lessee hereby (a) authorizes Lessor to purchase for lease to Lessee the equipment described herein (the "Equipment") and to insert hereon the Lease Commencement Date for such Equipment upon Lessee's acceptance of same for lease, (b) agrees to lease such equipment from Lessor effective the Lease Commencement Date thereof and for the Lease Term specified below, and (c) agrees to pay Lessor the rent, in the amounts and at the times specified below, for each item of Equipment. All of the terms used herein which are defined in the Lease shall have the same meaning as so defined.

EQUIPMENT DESCRIPTION:

<u>Item</u> <u>No.</u>	<u>Serial</u> <u>No.</u>	<u>Unit No.</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>Acquisition</u> <u>Cost</u>
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See Exhibit I attached hereto and incorporated herein by reference.

STIPULATED LOSS VALUES: As to the Total Acquisition Cost of Equipment subject to this Rental Schedule suffering a Casualty Occurrence, apply Exhibit II attached hereto and incorporated herein by reference.

TERMINATION VALUES: Not Applicable.

TOTAL ACQUISITION COST: \$

EQUIPMENT LOCATED AT: See Exhibit I.

LEASE TERM:	<u>Interim Term:</u>	<u>Primary Term:</u>
	Commencement Date:	Commencement Date:
	Expiration Date:	Expiration Date:

LEASE COMMENCEMENT DATE:

PAYMENT DATES: There shall be no rent due in respect of the Interim Term. The remaining rentals commence \_\_\_\_\_ and continue monthly in arrears through and including \_\_\_\_\_

BASIC RENT:

Basic Rent Per Period: \$ \_\_\_\_\_ (See Note 1)

NOTE 1: Basic Rent Per Period is computed by multiplying the Acquisition Cost as set forth above by:

Periodic Lease Rate Factor: \_\_\_\_\_%

The undersigned, being duly authorized representatives of the Lessor and the Lessee hereby CERTIFY that the units of Equipment described above have been duly delivered to Lessee in good order and duly inspected and accepted by the Lessee as of the Lease Commencement Date reflected above on behalf of the Lessee as conforming in all respects with the requirements and provisions of the Lease.

LESSOR:

STATE STREET BOSTON LEASING  
COMPANY, INC.

By \_\_\_\_\_

Title \_\_\_\_\_

LESSEE:

LIQUID CARBONIC CARBON DIOXIDE  
CORPORATION

By \_\_\_\_\_

An authorized officer

Date of Acceptance (Lease Commencement Date): \_\_\_\_\_

STATE OF )  
 ) ss.:  
COUNTY OF )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1988 before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn (or affirmed), did say that he resides at \_\_\_\_\_, that he is the \_\_\_\_\_ of Liquid Carbonic Carbon Dioxide Corporation (being a corporation organized under the laws of Delaware and the corporation described in and which executed the above instrument), that he executed such instrument on behalf of Liquid Carbonic Carbon Dioxide Corporation by authority of the board of directors of Liquid Carbonic Carbon Dioxide Corporation and that he acknowledges the execution of the said instrument as the free act and deed of Liquid Carbonic Carbon Dioxide Corporation and that the statements contained therein are true and correct in all respects.

(SEAL)

\_\_\_\_\_  
Notary Public

My commission expires on:

COMMONWEALTH OF MASSACHUSETTS )  
 ) ss.:  
COUNTY OF SUFFOLK )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1988 before me appeared Patricia W. Jenkins, to me personally known, who, being by me duly sworn (or affirmed), did say that she resides at \_\_\_\_\_, Massachusetts, that she is a Vice President of State Street Boston Leasing Company, Inc., a Massachusetts corporation, the corporation described in and which executed the above instrument, that she executed such instrument on behalf of said corporation by authority of its board of directors and that she acknowledges the execution of the said instrument as the free act and deed of said corporation and that the statements contained therein are true and correct in all respects.

(SEAL)

\_\_\_\_\_  
Notary Public

My commission expires on:

EXHIBIT I  
TO  
RENTAL SCHEDULE NO. \_\_\_\_\_  
CERTIFICATE OF INSPECTION AND ACCEPTANCE

DESCRIPTION OF EQUIPMENT

See \_\_\_\_\_ page(s) attached hereto and incorporated  
herein by reference.

EXHIBIT II  
TO  
RENTAL SCHEDULE NO. \_\_\_\_\_  
AND  
CERTIFICATE OF INSPECTION AND ACCEPTANCE

STIPULATED LOSS VALUES

(Stated as Percentage of Acquisition Cost)

<u>If Casualty Occurrence Occurs During the Following Month</u>	<u>Stipulated Loss Value</u>
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8/30/88