DONELAN, CLEARY, WOOD & MASER, P. C.
ATTORNEYS AND COUNSELORS AT LAW
SUITE 850
1275 K STREET, N. W.
WASHINGTON, D. C. 20005-4078
TELEPHONE: (202) 371-9500
TELECOPIER: (202) 371-0900

RECORDATION NO. 14293 FILED 1425
MAY 28 1993 11-30 AM
INTERSTATE COMMERCE COMMISSION

May 28, 1993

The Honorable Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

RECORDATION NO. ____ FILED 1425
MAY 28 1993 11-30 AM
INTERSTATE COMMERCE COMMISSION

MOTOR OPERATING DIV.
MAY 28 11 25 AM '93

Dear Secretary Strickland:

Enclosed for recordation, under the provisions of 49 U.S.C. 11303(a) and the regulations thereunder, are two (2) counterparts of Bareboat Charter 02386 between Cargill Leasing Corporation ("Owner") and American Commercial Lines, Inc. ("Charterer"), a primary document, dated as of May 28, 1993.

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

Bareboat Charter 02386

OWNER: Cargill Leasing Corporation
6000 Clearwater Drive
Minnetonka, MN 55343

CHARTERER: American Commercial Lines, Inc.
1701 East Market Street
Jeffersonville, IN 47130

A general description of the vessels covered by the enclosed document is attached hereto as Schedule I.

Original Original

The undersigned is the attorney-in-fact for purposes of this filing. Please return the extra copies of the enclosed documents to John K. Maser III, Esquire, Donelan, Cleary, Wood & Maser, P.C., Suite 850, 1275 K Street, N.W., Washington, D.C. 20005-4078 or to the bearer hereof.

Also enclosed is a remittance in the amount of $16.00 for the required recording fees.

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

PRIMARY DOCUMENT

Bareboat Charter 02386 between Cargill Leasing Corporation ("Owner") and American Commercial Lines, Inc. ("Charterer"), a primary document, dated as of May 28, 1993, relating to twenty-nine (29) covered hopper barges, and bearing official names and numbers as described in Exhibit A of Schedule X to Bareboat Charter 02386.

Respectfully submitted,

By: _____
John K. Maser III
Attorney-In-Fact

1200-140

SCHEDULE I

DESCRIPTION OF VESSELS COVERED BY BAREBOAT CHARTER 02386

Twenty-nine (29) covered hopper barges, having principal characteristics as follows:

Official Name	Description	Manufacturer	Official Number
ATC-201	1979 Open Top	St. Louis Ship	608226
ATC-202	1979 Open Top	St. Louis Ship	608227
ATC-203	1979 Open Top	St. Louis Ship	608228
ATC-204	1979 Open Top	St. Louis Ship	608229
ATC-205	1979 Open Top	St. Louis Ship	608230
ATC-206	1979 Open Top	St. Louis Ship	608231
ATC-207	1979 Open Top	St. Louis Ship	608232
ATC-208	1979 Open Top	St. Louis Ship	608233
ATC-800	1974 Roll Top	Jeffboat	972805
ATC-801	1974 Roll Top	Jeffboat	972806
ATC-802	1974 Roll Top	Jeffboat	972807
ATC-803	1974 Roll Top	Jeffboat	972808
ATC-804	1974 Roll Top	Jeffboat	972809
ATC-805	1974 Roll Top	Jeffboat	972810
ATC-806	1974 Roll Top	Jeffboat	972811
ATC-807	1974 Roll Top	Jeffboat	972812
ATC-808	1974 Roll Top	Jeffboat	972813
ATC-901	1980 Steel Lift Top	Jeffboat	972814
ATC-902	1980 Steel Lift Top	Jeffboat	972815
ATC-903	1980 Steel Lift Top	Jeffboat	972816
ATC-904	1980 Steel Lift Top	Jeffboat	972817
ABC-716	1980 Steel Lift Top	Dravo	621882
ABC-720	1980 Steel Lift Top	Dravo	621886
ABC-721	1980 Steel Lift Top	Dravo	621887
DY-3	1973 Box w/ Roll Top	St. Louis Ship	553287
OKG-11	1979 Fiberglass Top	Hillman	602511
OKG-13	1979 Fiberglass Top	Hillman	602513
OKG-16	1979 Fiberglass Top	Hillman	602516
OKG-17	1979 Fiberglass Top	Hillman	602517

Interstate Commerce Commission
Washington, D.C. 20423

5/28/93

OFFICE OF THE SECRETARY

John K Maser III
Donelan Cleary Wood & Maser
1275 K Street N.W. Suite 850
Washington,D.C. 20005

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 5/28/93 at 11:30am, and assigned recordation number(s). W-44 & W 43

Sincerely yours,

Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

BAREBOAT CHARTER NO. 02386

THIS BAREBOAT CHARTER NO. 02386 is entered into as of this 28th day of May, 1993, by and between CARGILL LEASING CORPORATION, a Delaware corporation, with an address at 6000 Clearwater Drive, Minnetonka, Minnesota 55343 (the "Shipowner") and AMERICAN COMMERCIAL LINES, INC., a Delaware corporation having its principal place of business at 1701 East Market Street, Jeffersonville, Indiana 47130 (the "Charterer").

WITNESSETH:

WHEREAS, as provided in Section 22 hereof, the capitalized terms used herein which are defined in Schedule X hereto or by reference therein to other agreements or instruments shall, unless otherwise defined herein, have the respective meanings stated in Schedule X or such other agreements or instruments;

WHEREAS, Shipowner has acquired from B & W Holdings, Inc. ("B&W") twenty-nine (29) covered hopper barges, all of which are further described in the definition of "Vessels" in Schedule X hereto, which Vessels were previously chartered to American Commercial Barge Line Company, a Delaware corporation, having its principal place of business at 1701 East Market Street, Jeffersonville, Indiana 47130 ("ACBL") a wholly-owned subsidiary of Charterer, by B&W pursuant to that certain Bareboat Charter I dated March 20, 1991 (the "B&W Charter"); and

WHEREAS, B&W, American Commercial Barge Line Company, and PNC Bank, Kentucky, Inc. have cancelled and terminated the B&W Charter and the Assignment of Charter Agreement and Acknowledgement of Assignment effective on the date hereof and this Charter is being executed by Shipowner and Charterer in the place of the B&W Charter; and

WHEREAS, the Shipowner and the Charterer desire that the Vessels be bareboat chartered by the Shipowner to the Charterer upon the terms and conditions hereof.

NOW, THEREFORE, the Shipowner agrees to let and demise, and the Charterer agrees to hire, the Vessels on the following terms and conditions:

Section 1. The Charter Period. The original term of this Charter shall commence on the date hereof and shall continue until March 19, 1994 (subject to extension pursuant to Sections 1 and 14 hereof). Charterer shall have and is hereby granted six (6) successive exclusive options to extend the term for all, but not less than all, of the Vessels subject to this Charter for one (1) year each. Notwithstanding the foregoing, this Charter shall not be extended beyond March 20, 2000. Upon the expiration of

the last year of the last such successive option, this Charter shall be deemed terminated. A termination of this Charter during the original term or any extended term shall terminate Charterer's rights of renewal hereunder. The Charterer shall exercise each successive option to extend this Charter by notifying the Shipowner in writing no less than one hundred twenty (120) days prior to the expiration of the original term or any then existing renewal term of its election to exercise any such option to renew. The period of time of the initial term of this Charter, beginning on the date of execution of this Charter and ending on March 19, 1994, together with the period of time of each successive option renewal term properly exercised by Charterer, is herein referred to as the "Term." The Charter Period shall be subject to earlier termination with respect to one or more Vessels as provided in Sections 12 and 17 hereof, and shall be extended with respect to one or more Vessels for any period required to effect redelivery as described in Section 14 hereof, including completion of any loaded voyage in progress at midnight (St. Louis time) on the last day of the Charter Period (which loaded voyage shall be deemed to commence on tender of notice of readiness to load); provided, however, that for any extension of the Charter Period by reason of completion of any such loaded voyage in progress, Charterer shall pay hire as provided in Section 14(b) hereof.

Section 2. Charter Hire.

(a) During the period beginning on the date of execution of this Charter and ending on March 19, 1994, the Charterer shall pay to the Shipowner ten (10) monthly installments of Basic Charter Hire, payable monthly in advance, the first such installment shall be equal to $65,274.17 (Seventy-Four Dollars $74.00 per day, per Vessel) and shall be due on May 20, 1993 followed by nine (9) equal installments of $65,274.17 (Seventy-Four Dollars $74.00 per day, per Vessel), being due on the twentieth day of each month thereafter through and including February 20, 1994. If Charterer elects to extend this Charter at the end of the original term, or any renewal term thereafter, the Charterer shall pay to the Shipowner equal monthly installments of Basic Charter Hire, payable monthly in advance, each of which shall be equal to $65,274.17 (Seventy-Four Dollars $74.00 per day, per Vessel), the first such installment being due on March 20, 1994 and subsequent installments thereof being due on the twentieth day of each month thereafter.If Charterer elects to extend this Charter for the last twelve (12) month renewal term beginning March 20, 1999, Charter shall pay to Shipowner twelve (12) equal monthly installments of Basic Charter Hire payable monthly in advance equal to $61,745.83 (Seventy-one Dollars $71.00 per day, per Vessel) through and including February 20, 2000.

(b) Stipulated Loss Values are set forth in Exhibit B hereto.

(c) Each installment of Basic Charter Hire and any payment of Stipulated Loss Value made pursuant to Section 12 or 17 hereof shall be paid in immediately available funds to the designated mortgagee of the Shipowner, or if there is no mortgage on the Vessels, then to the Shipowner at the address indicated on Page one hereof, on the date when such installment or payment is due. All payments of Hire shall be free and clear of, and without deduction for, or on account of, any and all present or future taxes, levies, imposts, deductions or other charges whatsoever imposed or levied by any governmental or taxing authority wheresoever located. In the event of any failure on the part of the Charterer to pay any Supplemental Charter Hire, the Shipowner shall have all rights, powers and remedies provided for herein or at law or in equity or admiralty or otherwise in the case of nonpayment of Basic Charter Hire. Charterer also agrees to pay to the Shipowner, on demand, as Supplemental Charter Hire, to the extent permitted by applicable law, interest at the Default Rate on any part of any installment of Basic Charter Hire not paid when due for any period for which the same shall be overdue and on any payment of Supplemental Charter Hire not paid when demanded by the Shipowner for the period from the date of any such demand until the same shall be paid.

(d) This Charter is a net bareboat charter, and except as herein otherwise provided, no payments to be made by the Charterer under this Charter during the Charter Period shall be subject to any abatement, reduction, adjustment, right of set-off, counterclaim, recoupment or defense due to any present or future claims of the Charterer against the Shipowner under this Charter or otherwise, or against any other party, or for any other reason whatsoever, nor shall the Charterer be entitled to retain any interest in or with respect to Basic Charter Hire or any Supplemental Charter Hire which has already been paid to the Shipowner or to assert any right to any refund or adjustment in the event of termination of this Charter or otherwise. Except as herein otherwise provided in Sections 16 and 17 of this Charter, the Charterer shall have no right to terminate this Charter before the end of the Charter Period, or be released, relieved or discharged from the obligation or liability to make all payments due hereunder for any reason whatsoever, including, without limitation, the following: any breach of any representation or warranty of, or any act or omission of, the Shipowner under this Charter; any reorganization, arrangement, insolvency, readjustment of debt, bankruptcy, dissolution or liquidation proceeding involving the Shipowner or the Charterer; any defect in, or damage to, or loss or destruction of, any of the Vessels from any cause; the requisitioning, seizure or other taking of title or use of any of the Vessels by any government or governmental authority or otherwise whether or not by reason of

any act or omission of the Shipowner; the invalidity or unenforceability or lack of due authorization or other infirmity of this Charter; the lack of right, power or authority of the Shipowner to enter into this Charter (provided that the Shipowner shall not be relieved of any of its obligations hereunder by reason of the Shipowner's assertion of any invalidity, unenforceability, lack of due authorization, right, power or authority arising from the action or inaction of the Shipowner); or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding. Compliance with this Section 2(d) by the Charterer shall not waive or release any claim, right or remedy of the Charterer against any party named herein or any other Person and the enforcement thereof by any means available to the Charterer not inconsistent with the provisions of this Section 2(d).

Section 3. Representations and Warranties.

(a) Charterer represents and warrants to the Shipowner as follows:

(i) The Charterer is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware with full power to enter into and to pay and perform its obligations under this Charter. The Charterer is duly qualified to do business and is in good standing as a foreign corporation in all other jurisdictions where its failure to so qualify would adversely affect the conduct of its business or the performance of its obligations under this Charter.

(ii) This Charter and all related documents have been duly authorized, executed and delivered by the Charterer, are enforceable against the Charterer in accordance with their terms and do not and will not contravene any provisions of or constitute a default under the Articles of Incorporation or Bylaws of the Charterer or any agreement to which the Charterer is a party or by which it or any of its property is bound.

(iii) The entering into of this Charter and all related documents and the performance by the Charterer of its obligations hereunder and thereunder do not require the approval of, or the giving of notice to or the taking of any other action in respect of, any governmental authority (except for any necessary Uniform Commercial Code financing statement) and will not violate or contravene any law, regulation or order of any governmental authority.

(iv) There are no suits or proceedings pending or threatened before any court or governmental body or agency against or affecting the Charterer which, if decided adversely to

its interests, would materially affect the ability of the Charterer to perform any of its obligations under this Charter.

(v) The Charterer has furnished the Shipowner copies of its most recent financial statements of which were prepared in accordance with generally accepted accounting principles consistently applied and which fairly present the financial condition of the Charterer as of the date thereof and the results of its operations for the periods covered thereby. There has been no material adverse change in the financial condition or operations of the Charterer since the date of such financial statements.

(vi) Each Vessel has been delivered to and inspected by the Charterer and is accepted for charter hereunder as of the date hereof.

(vii) The Charterer is a Citizen.

(viii) Neither the Charterer nor any Affiliate of the Charterer has taken any action the effect of which would be to cause the Shipowner or any of its Affiliates to be liable for any broker's, finder's or agent's fee or commission.

(ix) A United States Coast Guard Certificate of Financial Responsibility (water pollution) is either not required or has been obtained and a copy has been delivered to the Shipowner.

(b) Shipowner represents and warrants to the Charterer as follows:

(i) The Shipowner is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware with full power to enter into and to perform its obligations under this Charter. The Shipowner is duly qualified to do business and is in good standing as a foreign corporation in all other jurisdictions where its failure to so qualify would adversely affect the conduct of its business or the performance of its obligations under this Charter.

(ii) This Charter and all related documents have been duly authorized, executed and delivered by the Shipowner, are enforceable against the Shipowner in accordance with their terms and do not and will not contravene any provisions of or constitute a default under the Articles of Incorporation or Bylaws of the Shipowner or any agreement to which the Shipowner is a party or by which it or any of its property is bound.

(iii) The entering into of this Charter and all related documents and the performance by the Shipowner of its obligations hereunder and thereunder do not require the approval

of, or the giving of notice to or the taking of any other action in respect of, any governmental authority (except for any necessary Uniform Commercial Code financing statement) and will not violate or contravene any law, regulation or order of any governmental authority.

(iv) There are no suits or proceedings pending or threatened before any court or governmental body or agency against or affecting the Shipowner which, if decided adversely to its interests, would materially affect the ability of the Shipowner to perform any of its obligations under this Charter.

(v) The Shipowner is a Citizen.

(vi) Neither the Shipowner nor any Affiliate of the Shipowner has taken any action the effect of which would be to cause the Charterer or any of its Affiliates to be liable for any broker's, finder's or agent's fee or commission.

Section 4. Disclaimer of Warranties; Claims Against Manufacturer.

(a) THE SHIPOWNER IS NOT A MANUFACTURER NOR ENGAGED IN THE DISTRIBUTION OF BARGES AND IT SHALL NOT BE DEEMED TO HAVE MADE ANY PROMISE, STATEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE SEAWORTHINESS, DESIGN, COMPLIANCE WITH SPECIFICATIONS, CONDITION OR QUALITY OF THE VESSELS, OR AS TO THE SUITABILITY, ADEQUACY, OPERATION, USE OR PERFORMANCE OF THE VESSELS OR AS TO THEIR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE OR PURPOSE OR ANY PARTICULAR TRADE, it being agreed that all such risks, as between the Shipowner and the Charterer, are to be borne by the Charterer during the Charter Period. The Charterer's acceptance of delivery of a Vessel under this Charter shall be conclusive evidence, as between the Shipowner and the Charterer, that the Vessel is in all respects satisfactory to the Charterer and the Charterer will not assert any claim of any nature whatsoever against the Shipowner based on any of the foregoing matters.

(b) So long as no Event of Default has occurred and is continuing, Charterer is subrogated to Shipowner's claims, if any, against the manufacturer of the Vessels for breach of any warranty or representation, and further, provided Shipowner gives its prior written consent, the Charterer may act as Shipowner's agent and attorney in fact to institute in the name and for the account of the Shipowner , at the Charterer's sole cost and expense, those claims and rights arising or accruing during the Charter Period which the Shipowner may have against any of the Vessels or any supplier of any other equipment for use on or in connection with the Vessels or any other third party. The Charterer will give the Shipowner timely notice of any action which is required to be taken or, in the Charterer's judgment, is

advisable to be taken by or on behalf of the Shipowner in order to protect or enforce the Shipowner's or the Charterer's rights in respect of the Vessels; provided, however, that Shipowner shall not be obligated to take any action unless Shipowner, in its sole discretion, deems such action is necessary to protect or enforce its rights in respect to the Vessels.

Section 5. Title to and Use of the Vessels; Documentation of the Vessels; No Liens.

(a) The Shipowner retains full legal title to the Vessels notwithstanding their delivery to and possession and use by the Charterer hereunder, and Charterer obtains no rights in the Vessels other than those set forth herein. So long as no Event of Default shall have occurred and be continuing, Charterer shall have exclusive possession, control and use of the Vessels during the Charter Period and the Charterer shall man, victual, navigate, operate, supply, fuel, insure, maintain and repair (subject to this Charter) the Vessels at its own expense or by its own procurement throughout the Charter Period. The Shipowner hereby covenants that if, and so long as, no Event of Default shall have occurred and be continuing, the Charterer shall have all the rights of possession, use and quiet enjoyment of the Vessels chartered hereunder without hindrance or molestation by the Shipowner or any other person with a valid and legitimate legal basis claiming the same by, through or under the Shipowner as a result of acts or omissions of the Shipowner . During the Charter Period, the possession, use, operation and maintenance of the Vessels shall be at the sole risk, cost and expense of the Charterer.

(b) The Charterer shall, without extra cost, have the use of such equipment, outfit, appliances, tools, spare and replacement parts, non-consumable stores, etc., as shall be provided for the Vessels by the Shipowner. The same or any replacements thereof from time to time made by Charterer shall be returned to the Shipowner on redelivery of the Vessels in the same good order and condition as received, ordinary wear and tear excepted. Subject to Section 7 hereof, the Charterer shall provide such additional equipment, outfit, appliances, tools, spare and replacement parts, non-consumable stores, etc., as shall not be provided by the Shipowner and as shall be required for operation of the Vessels. Such equipment, etc., shall remain the property of the Charterer and the Charterer shall remove the same at its expense at or before redelivery of the Vessels. Leased equipment may be placed on board the Vessels by the Charterer, but all such leased equipment shall be removed at its own expense by the Charterer prior to redelivery.

(c) The Charterer shall not directly or indirectly create, incur, assume or suffer to exist any Liens on or with respect to any of the Vessels, or any part thereof, title thereto

or any interest therein, except (i) Liens created by Shipowner, (ii) Liens for taxes either not yet due or being contested by the Charterer in good faith and by appropriate proceedings, so long as such proceedings do not involve any substantial risk of sale, forfeiture or loss of any Vessel, or any interest therein, or interfere with the payment of Hire, (iii) materialmen's, mechanics', workmen's, repairmen's, employees', crew members' wages, longshoremen's, general average or salvage, including contract salvage, or other like Liens arising in the ordinary course of business which are not delinquent, or which are bonded, or the enforcement of which has been suspended (but then only for the duration of such suspension), and (iv) Liens upon the Charterer's interest in this Charter arising out of judgments or awards against the Charterer with respect to which at the time an appeal or proceeding for review is being prosecuted in good faith with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review. Charterer will promptly, at its own expense, take such action as may be necessary duly to discharge or eliminate or bond any Lien not excepted above if the same shall arise at any time. The Charterer will notify the Shipowner of any Lien that shall attach to any Vessel, or part thereof, or interest therein, within ten days of the Charterer's learning of such attachment, together with full particulars thereof, and, except for any Liens expressly permitted by this Section 5(c), will promptly cause the same to be discharged.

(d) The Charterer will not knowingly charter any of the Vessels to, or knowingly permit any of the Vessels to serve under any contract with, a person included within the definition of "designated foreign country" or "national" of a "designated foreign country" in-the Foreign Assets Control Regulations or Cuban Assets Control Regulations of the United States Treasury Department, 31 C.F.R., Chapter V, as now or hereafter amended, within the meaning of said Regulations or of any regulation, interpretation or ruling issued thereunder, nor will it charter or otherwise permit any of the Vessels to be used in any fashion which will subject the Vessels to forfeiture under the laws of the United States.

(e) Neither the Charterer, the master of the Vessel, any subcharterer, nor any other Person shall have any right, power or authority to create, incur or permit to exist upon the Vessels any Lien arising after the commencement of this Charter, other than those permitted pursuant to Section 5(c) above. The Charterer agrees to maintain and to cause any subcharterer to maintain a true copy of this Charter at their respective chief executive offices at all times, and to exhibit or cause to be exhibited the same, to any person having business with the Vessels which may give rise to any Lien upon the Vessels other than those permitted pursuant to Section 5(c) above, or to the sale, conveyance or mortgage thereof, and on demand, to any

Person having business with the Vessels or to any representative of the Shipowner.

(f) This Charter is intended to constitute a true Charter and not a sale of the related Vessels. However, to the extent, at any time or from time to time, this Charter is construed to be a transaction intended as a conditional sale between Shipowner and Charterer , Shipowner retains and Charterer hereby grants to Shipowner a security interest in and to the Vessels, the proceeds of any sale thereof, any insurance proceeds, and any other rights of Charterer.

Section 6. Maintenance, Certification. Repairs.

(a) During the Charter Period the Charterer at its expense shall at all times maintain and preserve the Vessels in good running order and repair, in accordance with good commercial maintenance practices in all respects similar to those practices which the Charterer currently undertakes to preserve and maintain other vessels of similar size, design and class within its barge fleet, except ordinary wear and tear as provided in Section 14(a) hereof, so that the Vessels shall be, in so far as due diligence can make them so, tight, staunch, strong and well and sufficiently tackled, apparelled, furnished, equipped and in every respect seaworthy and in good operating condition.

(b) The Vessels shall be repaired, overhauled, dry docked and cleaned by the Charterer at its expense whenever necessary to maintain and preserve the Vessels in accordance with Section 6(a) hereof.

(c) The Shipowner (or any Person or Persons designated by the Shipowner) shall have the right but not the obligation, on reasonable notice, to inspect the Vessels in a reasonable manner and at reasonable times in order to ascertain whether the Vessels are being repaired and maintained. The Charterer shall also permit the Shipowner (or any Person or Persons designated by the Shipowner) to inspect the Charterer's records with respect to the maintenance of the Vessels, whenever requested on reasonable notice, and shall at its expense furnish to the Shipowner full information regarding any casualty or other accident or damage to a Vessel.

Section 7. Charterer's Changes and Equipment.

(a) Except as otherwise specifically permitted hereby, the Charterer shall make no structural changes in any of the Vessels that would result in a violation of Section 6 hereof without first securing written approval of the Shipowner. Subject to this Section 7, Charterer shall have the right to install any pumps, gear or equipment it may require in addition to that on board the Vessels on the date hereof, provided that

such installations are accomplished at the Charterer's expense and risk and provided further that such installations shall be readily removable without causing material damage to such Vessels or diminishing the value, utility, capacity or operating condition of the Vessels. Pumps, gear or equipment so installed shall remain the property of the Charterer and the Charterer shall remove the same at the expense of the Charterer prior to the redelivery of the Vessels.

(b) In addition, the Charterer at its own expense may from time to time make such alterations to the Vessels of a permanent, structural nature as the Charterer may deem desirable in the proper conduct of its business; provided, however, that (i) no such alteration shall diminish the value, utility, capacity or operating condition of any Vessel below the value, utility, capacity and operating condition thereof immediately prior to such alteration assuming such Vessel was then in the condition required to be maintained by the terms of this Charter and (ii) all such alterations are readily removable from such Vessel without diminishing or impairing the value, utility, capacity or operating condition which such Vessel would have had at such time had such alterations not been made assuming such Vessel was then in the condition required to be maintained by the terms of this Charter and are capable of being so removed (and prior to redelivery pursuant to Section 14 are so removed) without causing material damage thereto. Alterations shall be considered readily removable without material damage to a Vessel if (i) they can be removed in good and workmanlike manner with reasonable dispatch and (ii) after such removal the condition of the Vessel can be restored in all material respects to the same value, utility, capacity and operating condition which such Vessel would have had at such time had such alterations not been made assuming such Vessels were then in the condition required to be maintained by the terms of this Charter. All alterations made pursuant to this Section 7 shall be completed in a good and workmanlike manner and with reasonable dispatch. Title to all parts added to a Vessel as a result of such an alteration shall remain in the Charterer or such other owner as may have provided the same to the Charterer, may be removed from the Vessel by the Charterer or such other owner at any time, provided that such removal does not damage the Vessel (or any such damage is promptly repaired in good and workmanlike manner) and the Vessel after such removal is restored to the value, utility, capacity and operating condition which such Vessel would have had at such time had such alterations not been made assuming such Vessel was then in the condition required to be maintained by the terms of this Charter, and shall not constitute a part of the Vessel for any purposes hereof.

Section 8. Insurance.

(a) The Charterer shall, without cost to the Shipowner, keep the Vessels insured in such form (including, without limitation, the designation of the Shipowner as first loss payee and as a named assured) and as to such risks (including, without limitation, war and pollution risks), and containing limits in such amounts, as customarily carried by companies in similar business and similarly situated, issued by carriers reasonably acceptable to the Shipowner, provided that the amount of hull and machinery insurance as to each Vessel (plus any permitted deductible) shall in no event be less than the applicable Stipulated Loss Value of such Vessel. All policies for such insurance so taken out shall provide that (1) there shall be no recourse against the Shipowner for the payment of premiums or commissions, (2) if such policies provide for the payment of assessments, advances, or deductibles, there shall be no recourse against the Shipowner for the payment thereof, (3) at least thirty (30) days' prior notice shall be given to the Shipowner by the underwriters in the event of any actual or proposed cancellation or reduction of coverage, (4) the insurer shall not seek contribution from any insurance carried by the Shipowner, (5) in respect of the Shipowner's interest in such policy, the insurance shall not be invalidated by any action or inaction of the Charterer or any other Person (other than the Shipowner), (6) the insurer waives subrogation against the Charterer and (7) there shall be breach of warranty coverage for the benefit of the insureds other than the Charterer.

(b) The Charterer will also without expense to the Shipowner have the Vessels fully entered in a Protection and Indemnity Association or club in good standing and acceptable to the Shipowner, for such amount as the Shipowner may require or approve, in both protection and indemnity classes, or keep the Vessels similarly insured against such risks in a manner acceptable to the Shipowner (Charterer's current coverage as disclosed to Shipowner is hereby declared to be acceptable to Shipowner). The Charterer will cause the Shipowner's interest to be noted under any such entry and will cause any such association or club to waive any liability on the part of the Shipowner for premiums or calls. If required at any time by the Shipowner, the Charterer will assign to the Shipowner its rights under any policies of insurance in respect of the Vessels.

(c) So long as there shall not have occurred and be continuing an Event of Default (notice of which is furnished to the underwriters, or to the Charterer if the Charterer is self-insured, by the Shipowner) (i) any amounts payable under any insurance on a Vessel with respect to protection and indemnity risks, or if the Charterer is self-insured the amounts that would have been paid if the Charterer was insured by an underwriter as provided in this Section 8, may be paid directly to the Charterer to reimburse it for any loss, damage or expense paid by it and covered by such insurance or to the Person to whom any liability covered by such insurance has been incurred and (ii) in the case of any amounts payable (other than amounts covered by clause (i) of this Section 8(c) or by Section 8(d) hereof) under any insurance with respect to a Vessel involving any damage to the

Vessel, or if the Charterer is self-insured the amounts that would have been paid if the Charterer was insured by an underwriter as provided in this Section 8, the underwriters may pay directly for the repair, salvage or other charges involved or, if the Charterer shall have first fully repaired the damage or paid all of the salvage or other charges, may pay the Charterer as reimbursement therefor; provided, however, that if such amounts (including any deductible) are in excess of five percent of the amount insured in any case, the Charterer shall not permit the underwriters to make such payment without first obtaining the written consent thereto of the Shipowner.

(d) All payments of insurance proceeds received on account of an Event of Loss with respect to a Vessel, or if the Charterer is self-insured the amounts that would have been paid if the Charterer was insured by an underwriter as provided in this Section 8, shall be paid to the Shipowner, or the designated mortgagee of the Shipowner, up to an amount equal to the Stipulated Loss Value applicable to such Vessel in accordance with the provisions of Section 12 hereof, and the balance, if any, shall be paid to the Charterer or to whomsoever may be entitled thereto.

(e) The Charterer shall carry such workmen's compensation or longshoremen's and harborworkers' compensation insurance as shall be required by applicable law.

(f) The Charterer shall have the option to self-insure any and all of the obligations set forth in this Section 8; provided, however, that the terms and amounts of such self-insurance are consistent with the terms and amounts of insurance carried by companies in similar business and similarly situated. In the event Charterer elects to self-insure, Charterer shall save and hold Shipowner harmless as though such insurance policies had been obtained in standard commercial policies from reputable marine underwriters.

(g) Upon the request of Shipowner, the Charterer shall deliver to the Shipowner evidence of self-insurance or a certified true copy of all policies evidencing insurance maintained under this Charter, as well as evidence satisfactory to the Shipowner of the payment of all applicable premiums. Furthermore, original policies shall be made available for inspection or delivered to the Shipowner promptly upon written request.

(h) The Charterer will not do any act, nor suffer any act to be done, whereby any insurance coverage of or for the benefit of, the Shipowner required hereunder shall or may be suspended, impaired or defeated.

(i) In case any underwriter proposes to pay less on any claim than the amount thereof, the Charterer shall forthwith inform the Shipowner and the Shipowner shall have the right to negotiate and agree to any compromise.

(j) The Charterer will comply with and satisfy all of the provisions of the applicable law, convention, regulation, proclamation or order concerning financial responsibility for liabilities imposed on the Charterer or the Vessels with respect to pollution by any state or nation or political subdivision thereof and will maintain all certificates or other evidence of financial responsibility as may be required by any such law, convention, regulation, proclamation or order.

Section 9. Compliance with Laws. The Charterer hereby covenants that:

(a) the Charterer shall comply with all applicable laws, regulations, requirements and rules, domestic and foreign, (for this paragraph only, "Laws"), with respect to the registration, licensing, use, maintenance and operation of the Vessels at all times (provided, however, that if there is a sudden and accidental Event of Loss with respect to one or more Vessels that results in such Vessel(s) being rendered unseaworthy or otherwise in noncompliance with such Laws, Charterer will not be in default under this Charter for non compliance with such Laws provided that Charterer promptly begins to take and promptly takes all practicable actions to effectively and completely cure the noncompliance with respect to such Vessel(s)), including, without limitation, all applicable Laws administered by the United States Coast Guard, the Bureau of Customs, the Treasury Department, the Environmental Protection Agency, the Public Health Service, the Department of Transportation and their successors, except to the extent that, with the prior written consent of the Shipowner (which consent shall not be unreasonably withheld), such requirements shall then be contested in good faith by the Charterer;

(b) the Charterer shall keep in its offices, as and when required thereby, valid certificates showing compliance therewith; and

(c) the Charterer will make any changes or additions to the Vessels required by any applicable laws or applicable rules or regulations thereunder. Where such compliance requires the execution and delivery by the Shipowner of any instruments or the taking of any other action by the Shipowner, the Charterer will in a timely manner prepare and submit to the Shipowner such instruments and specify in writing to the Shipowner the action by it so required. Upon request of the Shipowner, the Charterer shall provide the Shipowner with photostatic copies or originals, if available, of any such instruments.

Section 10. Indemnification.

(a) General Indemnity.

(i) The Charterer shall pay and shall defend, indemnify and save harmless the Shipowner and its successors and assigns, officers, directors and agents from and against any

claim, penalty, cause of action, damage, liability (whether or not based on a theory of strict or absolute liability in tort or otherwise) or expense (including, without limitation, reasonable legal fees and expenses) or any sales, use, excise, personal property, stamp, documentary, or ad valorem taxes when due (not including any taxes based on and measured by the net income of the Shipowner) and related interest and penalties in any manner arising out of, or relating to the Vessels, or the acceptance, rejection, delivery, possession, ownership, chartering, subchartering, maintenance, use, repair, operation, redelivery, permitted sale or other disposition of any of the Vessels, or by reason of their condition (whether or not discoverable by due diligence), including, without limitation and regardless of whether any such claim is made or cause of action is brought during or subsequent to the Charter Period, loss or any damage to a Vessel or any cargo carried by a Vessel or damage to any other craft or vessels or other property belonging to third parties or death or injury to any person. Notwithstanding the foregoing sentence, the Charterer shall not be required to indemnify the Shipowner for any loss or liability (i) resulting from the Shipowner's own acts or omissions to act or willful misconduct, or (ii) which the Shipowner may incur as a result of a default or breach by the Shipowner under or in connection with any agreement referred to herein to which the Shipowner is a party; provided, however, that the indemnities set forth in this Section 10(a) shall not be construed as a guarantee by the Charterer of the residual value of the Vessels.

(ii) The indemnities provided for in this Section 10 are expressly subject to the following: in case any action, including any investigatory proceeding, shall be brought against, or commenced with respect to, the Shipowner in respect of which the Charterer is required to indemnify the Shipowner pursuant to the provisions of this Section 10, the Charterer, upon consent of and request by Shipowner shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Shipowner and the payment of all fees and expenses related thereto. In the event Shipowner does not make the request and does not give its consent to Charterer to assume such defense, Charterer shall be released from its obligation to indemnify Shipowner with respect to, but only with respect to, the particular matters involved in such action. In the event the Charterer assumes the defense of any such action, the Shipowner 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 the Shipowner, unless (a) the employment of such counsel has been specifically authorized by the Charterer, (b) the named parties to such action (including any impleaded parties) include both the Shipowner and the Charterer and representation of the Shipowner and the Charterer by the same counsel would be inappropriate under applicable standards of professional conduct due to actual or potential conflicting interests between them, or (c) the counsel employed by the Charterer and satisfactory to the Shipowner has advised the Shipowner, in writing, that such counsel's representation of

the Shipowner would be likely to involve such counsel in representing differing interests which could adversely affect either the judgment or loyalty of such counsel to the Shipowner, whether it be a conflicting, inconsistent, diverse or other interest (in which cases the Charterer shall not have the right to assume the defense of such action on behalf of the Shipowner, it being understood, however, that the Charterer 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 circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the Shipowner, which firm shall be designated in writing by the Shipowner). The Charterer shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the Charterer or if there be a final judgment, beyond further review or appeal (excluding, however, review by or appeal to the United States Supreme Court), for the plaintiff in any such action, the Charterer agrees to indemnify and hold harmless the Shipowner from and against any loss or liability on a net after-tax basis by reason of such settlement or judgment. If the Charterer does in fact obtain recovery from a third party based on the results of such appeal to and ruling by the United States Supreme Court, and if Charterer has already paid Shipowner the full amount necessary to indemnify and hold harmless the Shipowner from and against any loss or liability on a net after-tax basis and any other amounts due and owing under the Charter, and if no Event of Default under the Charter shall have occurred and be continuing, Shipowner shall not be entitled to the recovery resulting from the favorable ruling from the United States Supreme Court and Charterer may retain such recovery.

(iii) If the Shipowner has knowledge of any liability indemnified against pursuant to this Section 10, it shall give prompt written notice thereof to the Charterer, but the failure to give such notice shall not relieve the Charterer of its obligations under this Section 10.

(b) Survival. The indemnities and assumptions of liabilities and obligations provided for in this Section 10 shall continue in full force and effect for applicable claims or causes of action arising during the Charter Term and before redelivery notwithstanding the expiration or other termination of this Charter until the expiration of the applicable statute of limitations in respect to claims of that type.

Section 11. Additional Covenants of the Charterer. During the Charter Period and so long as any amounts are due from the Charterer under this Charter:

(a) To the extent permissible, the Charterer will prepare and file in timely fashion or, where the Shipowner is required to file, prepare and deliver (or cause to be prepared and delivered) to the Shipowner within a reasonable time prior to the date for filing any reports, certificates, applications,

licenses, notices, consents, bonds, agreements, requests, orders or any other instruments or documents with respect to the Vessels, this Charter or any of the transactions contemplated hereby which are required by any federal, state or other governmental or regulatory authority. The Shipowner will take, at Charterer's cost, reasonable steps to furnish to the Charterer such information relating thereto as the Charterer may reasonably request and otherwise cooperate with the Charterer in connection therewith. The Charterer will take, at Charterer's cost, reasonable steps to furnish the Shipowner such information relating to the Shipowner's tax reports and returns as the Shipowner may reasonably request and otherwise cooperate with the Shipowner in connection therewith. Nothing in this Section 11(a) shall require disclosure to any Person of trade secrets or information the disclosure of which is prohibited by law.

(b) Shipowner intends to take the depreciation deductions available to the owner of the Vessels as provided in the Internal Revenue Code of 1986, as amended, (the "Code"). Charterer agrees that it will not claim tax ownership of the Vessels, that it will not take the Vessels out of the territorial waters of the United States, and that it will not allow the Vessels to be used by any person or entity if such use would have the result of causing any Vessel to become "tax exempt use" property as defined in the Code. Charterer agrees that Shipowner's damages with respect to a breach by Charterer of this covenant shall include payment for the loss of depreciation deductions which result from such breach.

Section 12. Loss, Destruction, Requisition, Etc.

(a) Upon the occurrence of an Event of Loss with respect to a Vessel, the Charterer shall forthwith (and in any event within five days after such occurrence) give to the Shipowner written notice of such Event of Loss and on the next Charter Hire Payment Date following the date of the occurrence of such Event of Loss (or, if there is no such Charter Hire Payment Date, on a date 30 days after the date of the occurrence of such Event of Loss) the Charterer shall pay to the Shipowner in addition to any installment of Hire then otherwise due and payable, the Stipulated Loss Value for such Vessel computed as of such date. In the event of payment in full of such Stipulated Loss Value and all other Hire then due hereunder, the obligation of the Charterer to pay Basic Charter Hire hereunder with respect to such Vessel after such Charter Hire Payment Date shall terminate, but the Charterer shall remain liable for all payments of Hire for such Vessel due on or before the date of such payment of Stipulated Loss Value.

(b) Payments received at any time by the Shipowner or by the Charterer from any governmental authority or other Person with respect to an Event of Loss resulting from the condemnation, confiscation, theft or seizure of, or requisition of title to or use of a Vessel will be applied to reimburse the Shipowner for costs and expenses incurred in connection therewith and then to

pay the Shipowner so much of such payments remaining as shall not exceed the Stipulated Loss Value required to be paid by the Charterer in connection therewith in reduction of the Charterer's obligation to pay such Stipulated Loss Value, if not already paid by the Charterer, or, if already paid by the Charterer, shall be applied to reimburse the Charterer for its payment of such Stipulated Loss Value, and the balance, if any, of such payments remaining thereafter will be retained by the Charterer.

(c) In the event of the requisition for use by the United States or any instrumentality or agency thereof (for purposes of this Section 12(c) called the "Government") or by any other governmental authority of a Vessel, the Charterer shall promptly notify the Shipowner of such requisition, and all of the Charterer's obligations under this Charter with respect to said Vessel shall continue to the same extent as if such requisition had not occurred; provided that if such requisition is by such other governmental authority and is for a period in excess of 60 days or is by the Government or such other governmental authority and continues beyond the termination of the Charter Period an Event of Loss shall be deemed to occur on the 61st day after such requisition or on the last day of the Charter Period, as the case may be. All payments received by the Shipowner or the Charterer from the Government for the use of said Vessel shall be paid over to, or retained by, the Charterer; provided that if a requisition of use results in an Event of Loss, such payments shall be disbursed as provided in Section 12(b) hereof.

(d) Any amount referred to in Section 12(b) or 12(c) hereof which is payable to the Charterer, shall not be paid to the Charterer if at the time of such payment an Event of Default shall have occurred and be continuing, but shall be held by the Shipowner for the account of the Charterer in a segregated interest-bearing account with a banking institution selected by the Shipowner without any duty to maximize the return thereon and, if the Shipowner declares this Charter to be in default pursuant to Section 17 hereof, such amount shall be applied (together with any such interest) against the Charterer's obligations hereunder as and when due. At such time as there shall not be continuing any such Event of Default such amount shall be paid to the Charterer to the extent not previously applied in accordance with the preceding sentence.

Section 13. <u>Citizenship of the Parties</u>. Both the Charterer and the Shipowner agree, to the extent within its reasonable control or the reasonable control of any of its Affiliates, to remain a Citizen during the Term of this Charter. In the event either party hereto shall for any reason cease to be a Citizen during the Term of this Charter, such party shall promptly notify the other party hereto and, after consultation with the other party, will take such steps as may be necessary to enable such other party to enjoy the benefits of the transactions originally contemplated by this Charter; provided, however, the foregoing shall not limit any right or remedy of a party as may be set forth in Section 17 hereof.

Section 14. Redelivery.

(a) Except to the extent that the Charterer has been relieved of the obligation by the occurrence of an Event of Loss with respect to one or more of the Vessels, the Charterer at its own expense shall redeliver to the Shipowner (thirty (30) days prior written notice to the Shipowner of the time of redelivery) each of the Vessels at the expiration of the Charter Period and the extension period, if any, provided for in this Section 14, at the port of New Orleans, Louisiana, or at such other port as the Shipowner and Charterer shall mutually agree, in such good order and condition as when delivered hereunder and in the condition required by Section 6(a) hereof except for ordinary wear and tear as might reasonably be expected for vessels of similar age, class, and design engaging in operations normal to the Charterer's industry. Corrosive wear resulting from and directly attributable to the transportation of corrosive material, as defined in 49 C.F.R. §173.240 and itemized in 49 C.F.R. §172.101 (as said regulations may be amended from time to time) shall not be considered ordinary wear and tear for purposes of the preceding sentence and Section 6(a) hereof (although this provision shall not prohibit the Charterer from using the Vessel to carry corrosive materials). The Vessels shall be redelivered charter free, cargo free, with no unfulfilled requirements of any governmental agency or department having jurisdiction in the premises, and free and clear of all Liens, except for any Shipowner's Liens.

(b) This Charter shall be extended, at a daily charter hire rate equal to 110% of the Basic Charter Hire of the Vessel or Vessels not redelivered and due for the period ending on the preceding Charter Hire Payment Date, for the duration of any voyage in progress at the time of expiration of the Charter Period and for such additional period as shall reasonably be required to effect redelivery. During such extension period, if any, all of the obligations of the Charterer under this Charter in respect of the Charter Period (other than the payment of Basic Charter Hire which shall be payable as set forth above) shall continue in respect of such extension period.

(c) The Charterer shall permit access to the Vessels at all reasonable times during the last six months of the Charter Period to the Shipowner and to persons designated by the Shipowner in connection with any prospective sale or charter of the Vessels by the Shipowner, and shall permit the superficial inspection of the Vessels by such persons; provided, however, that the exercise of such rights shall in no way unreasonably interfere with the use by the Charterer of the Vessels.

(d) Upon the redelivery of each Vessel, the Charterer will make such Vessel available to the Shipowner at the port of redelivery for inspection by the Shipowner. The Charterer, at its expense, will fully correct and repair any condition disclosed by such inspection to the extent necessary to cause

such Vessel to comply with the terms of Section 6(a) and 14(a) hereof. In the event the Shipowner and the Charterer do not agree on the nature of the corrections or repairs to be made, an independent marine surveyor reasonably satisfactory to the Shipowner and the Charterer shall be selected who shall make such determination. Such determination shall be final and binding on the parties hereto. The Charterer and the Shipowner shall equally share the costs and expenses of such surveyor.

(e) Upon redelivery of each Vessel hereunder, the Charterer will provide storage for such Vessel at a location at New Orleans, Louisiana, at the cost of the Charterer, for a period of sixty (60) days from (but not including) the date of the redelivery of such Vessel as aforesaid. In the event the Shipowner insists on redelivery pursuant to Section 14(a) hereof at any other location, the Charterer shall have no such obligation to provide storage for the Vessels. During such sixty (60) day period the charterer shall permit access to such Vessel at all reasonable times to the Shipowner, and to Persons designated by either of them in connection with any prospective sale or charter of such Vessel by the Shipowner, and shall permit the full inspection of such Vessel by such Persons, which inspection shall be at the sole cost and expense of the Shipowner, or such Persons. During the period of such storage the entire risk of loss for such Vessels (except if due to the negligence of the Charterer) is for the Shipowner and the Charterer shall have no responsibility for insurance, maintenance, taxes or repair with respect to the Vessels. Notwithstanding the foregoing, if after redelivery of the Vessels it is determined in accordance with Section 14(d) hereof that one or more Vessels must be repaired or corrected by the Charterer, the storage period for such Vessels shall be extended until the completion of such repair or correction.

Section 15. Assignments and Subcharters.

(a) Assignment by Charterer. The Charterer shall have the right, upon the prior written consent of the Shipowner which consent shall not be unreasonably withheld, to (a) assign this Charter to any Citizen, provided, that, in the event of any such assignment, the Charterer shall not be released from any of its obligations and liabilities, accrued or executory, under this Charter, or (b) subcharter, or otherwise permit any party or parties to use (on less than a demise basis) any or all of the Vessels; provided that the subcharterer or user shall be a Citizen and the Charterer shall send a copy of the subcharter or other use agreement to the Shipowner and shall grant to the Shipowner a prior perfected security interest in such subcharter. The Charterer shall have the right, without the written consent of the Shipowner, to assign this Charter, or subcharter the Vessels, to a wholly-owned subsidiary of the Charterer that is a Citizen, provided that in the event of any such assignment or subcharter, the Charterer shall not be relieved from any of its obligations and liabilities, accrued or executory, under this Charter. Any such subcharter or other use agreement shall be

subject and subordinate to this Charter, shall be in compliance with Section 5(d) hereof and shall not relieve the Charterer from any of its obligations and liabilities, accrued or executory, under this Charter.

(b) Assignment by Shipowner. The Shipowner shall have the right, upon the prior written consent of the Charterer which consent shall not be unreasonably withheld, to assign, pledge, mortgage, transfer or otherwise dispose of either in whole or in part, the Vessels, provided, however, the Shipowner shall have the right to assign or transfer, either in whole or in part, the Vessels to an Affiliate without notice to, or the consent of, the Charterer. Upon notice to the Charterer of any such assignment, the Hire and other sums payable by the Charterer hereunder which are the subject matter of the assignment shall be paid to or upon the written order of the assignee. No such assignee shall be obligated to perform any duty, covenant or condition required to be performed by the Shipowner under the terms of this Charter unless such assignee expressly assumes such obligation, provided, however, if this Charter is assigned to an Affiliate without the prior written consent of the Charterer, the Affiliate shall be obligated to perform all duties, covenants and conditions required to be performed by the Shipowner under the terms of this Charter. Shipowner shall remain liable to the Charterer to perform such duties, covenants and conditions unless such assignee expressly assumes such obligations, in which case the Shipowner shall be released of any further liability hereunder upon the written approval of the Charterer, which approval shall not be unreasonably withheld. Such assignee shall have all rights, powers and remedies given to the Shipowner by this Charter, and shall be named as loss payee or additional insured under all policies of insurance maintained by the Charterer pursuant to Section 8 hereof. If the Shipowner assigns this Charter or the monies due or to become due hereunder for security or collateral purposes, the Charterer agrees not to assert against such assignee any defense, set-off, recoupment, claim or counterclaim which the Charterer may have against the Shipowner, whether arising under this Charter or any other transactions between the Shipowner and the Charterer.

Section 16. Events of Default.

(a) The following events shall constitute Events of Default on behalf of the Charterer:

(i) the Charterer shall fail (A) to make any payment of Hire when and as the same shall become due and payable or (B) to maintain in effect at all times insurance with respect to the Vessels as required by Section 8 hereof, and either of such failures described in clause (A) or (B) shall continue for a period of five (5) days after written notice, or oral notice to a designated officer of Charterer, of such failure from the Shipowner; or

(ii) the Charterer shall fail (A) to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder or (B) to make good any representation or warranty made by the Charterer herein, or any other document or certificate furnished to the Shipowner, in connection herewith or therewith which shall prove to have been incorrect in any material way when made, and either of such failures described in clause (A) or (B) shall not have been remedied within ten (10) days after written notice of such failure from the Shipowner; or

(iii) the filing of any petition or application against the Charterer by any other Person under any present or future law for the relief of debtors or for the subjection of property of a debtor to the control of any court, receiver or agency for the benefit of creditors, including without limitation proceedings under the Bankruptcy Code, if the proceeding commenced by such filing shall not be dismissed within thirty (30) days from the date of filing; or

(iv) the Charterer's execution of a general assignment for the benefit of creditors, or the Charterer's commencement of any voluntary case or proceeding for relief under the Bankruptcy Code or any present or future law for the relief of debtors, or the taking of any action to authorize or implement any of the foregoing; or

(v) this Charter shall terminate for any reason other than default by the Shipowner and the Charterer shall not have exercised its option to purchase the Vessels as provided in Section 18 of this Charter; or

(vi) the occurrence of any event described in clauses (iii) or (iv) of this Section 16(a) with respect to any other person liable for payment or performance of the Charter's obligations under this Charter; or

(b) The following events shall constitute Events of Default on behalf of the Shipowner:

(i) the Shipowner shall fail (A) to perform or observe any covenant, condition or agreement to be performed or observed by it hereunder or (B) to make good any representation or warranty made by the Shipowner herein, or any other document or certificate furnished to the Charterer, in connection herewith or therewith which shall prove to have been incorrect in any material way when made, and either of such failures described in clause (A) or (B) shall not have been remedied within ten (10) days after written notice of such failure from the Charterer; or

(ii) the filing of any petition or application against the Shipowner by any other Person under any present or future law for the relief of debtors or for the subjection of property of a debtor to the control of any court, receiver or agency for the benefit of creditors, including without limitation

proceedings under the Bankruptcy Code, if the proceeding commenced by such filing shall not be dismissed within thirty (30) days from the date of filing; or

(iii) the Shipowner's execution of a general assignment for the benefit of creditors, or the Shipowner's commencement of any voluntary case or proceeding for relief under the Bankruptcy Code or any present or future law for the relief of debtors, or the taking of any action to authorize or implement any of the foregoing; or

(iv) the occurrence of any event described in clauses (ii) or (iii) of this Section 16(b) with respect to any other person liable for performance of the Shipowner's obligations under this Charter.

Section 17. Action Following Event of Default.

(a) If any Event of Default specified in Section 16(a) shall have occurred and be continuing the Shipowner may declare this Charter to be in default, and at any time thereafter, so long as the Charterer shall not have remedied all outstanding Events of Default, at its option, exercise any of the following rights and remedies:

(i) the Shipowner may proceed either at law, in admiralty or in equity to enforce performance by the Charterer of the applicable provisions of this Charter or to recover damages for the breach thereof; or

(ii) the Shipowner may terminate this Charter, by notice in writing to the Charterer, whereupon all rights of the Charterer to the use of the Vessels shall absolutely cease and terminate, but the Charterer shall remain liable as hereinafter in this clause (ii) provided; and thereupon the Charterer shall, if requested by the Shipowner, forthwith at the Charterer's expense deliver or cause to be delivered the Vessels to the Shipowner at a safe berth at the port of St. Louis, Missouri, to be stored at the Charterer's expense and risk for a period not to exceed 60 days and, whether or not the Shipowner shall have made such a request, the Shipowner may enter upon and take possession of the Vessels, wherever found, whether underway or in any port, harbor or other place, without prior demand and without legal process, and for that purpose may enter upon any dock, pier or other premises and take such steps as may be necessary to take possession of the same and to discharge, deliver, redeliver or otherwise dispose of any cargo aboard the same, all at the sole risk, cost and expense of the Charterer; and thenceforth the Shipowner shall hold, possess, sell, charter to others or enjoy the Vessels free from any right of the Charterer; but the Shipowner may, nevertheless, recover from the Charterer all Hire which under the terms of this Charter may then be due or may have accrued to the date of such termination and also recover forthwith from the Charterer (A) as liquidated damages for loss of the bargain and not as a penalty, an amount equal to the

lesser of (i) twenty percent (20%) of the Stipulated Loss Value on the date of termination of this Charter, or (ii) the Stipulated Loss Value on the date of termination of this Charter less (a) the sales proceeds the Shipowner in fact received from the sale of the Vessels, or (b) the highest bona fide offer received by the Shipowner in the event any of the Vessels are not sold; (B) as liquidated damages for loss of the bargain and not as a penalty, an amount equal to the remaining Charter Hire payments which under the terms of this Charter would otherwise have been payable by the Charterer until the end of the Original Term or the then current Renewal Term, less any charter hire payments actually received by the Shipowner under any subsequent charter for the Vessels between the date of termination of this Charter and the end of the Original Term or the then current Renewal Term, plus any expenses, including without limitation reasonable attorneys' fees and expenses, incurred by the Shipowner in connection with any such subsequent sale or charter; (C) any damages which the Shipowner shall have sustained by reason of the breach of any provision of this Charter other than for the payment of Basic Charter Hire; and (D) any expenses, including without limitation reasonable attorney's fees and costs of repossessing, storing, holding, transporting, insuring, servicing, repairing, maintaining, renting and selling the Vessels and collecting proceeds of their disposition, which the Shipowner shall have incurred by reason of the breach of any provision of this Charter (unless already paid for in accordance with clause (A) of this Section 17(a)(ii)).

(iii) The Shipowner or its agent may sell any Vessel at public or private sale, with or without notice to the Charterer, advertisement or publication, as the Shipowner may determine, or otherwise may dispose of, hold, use, operate or charter (whether for a period greater or less than the balance of what would have been the Charter Period in the absence of the termination of the rights of the Charterer to the Vessels) to others, all on such terms and conditions and at such place or places as the Shipowner may reasonably determine and all free and clear of any rights of the Charterer.

At any time after an Event of Default shall have occurred and be continuing, the Shipowner may request the Charterer to deliver, and the Charterer shall deliver, as soon as possible, a certificate setting forth the current location of all of the Vessels.

The remedies in this Charter provided in favor of the Shipowner shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law, in admiralty or equity. The Charterer hereby waives, so far as permitted by law, any notice to quit or notice of re-entry or of the institution of legal proceedings to that end, any right of re-entry or repossession, or any other requirements of law, now or hereafter in effect, which may require the Shipowner to sell, lease, or otherwise use the Vessels in mitigation of Shipowner's damages as set forth in this

Section or which might limit or modify the remedies herein provided.

The failure of the Shipowner to exercise its rights granted it hereunder, or the partial exercise of such rights, upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such rights upon the continuation or recurrence of any such contingencies or similar contingencies or preclude any other or further exercise of such rights or of any other rights.

The Shipowner may, at its option but at the expense of and for the account of the Charterer, and without waiving any of the rights of the Shipowner against the Charterer, cure any such Event of Default, and if the Shipowner shall so cure any such Event of Default it shall be entitled to interest at the Default Rate from the date of curing such Event of Default until reimbursed by the Charterer, on the amount expended by the Shipowner to cure any such Event of Default.

(b) If any Event of Default specified in Section 16(b) shall have occurred and be continuing the Charterer may declare this Charter to be in default, and at any time thereafter, so long as the Shipowner shall not have remedied all outstanding Events of Default, at its option, exercise any of the following rights and remedies:

(i) the Charterer may proceed either at law, in admiralty or in equity to enforce performance by the Shipowner of the applicable provisions of this Charter or to recover damages for the breach thereof; or

(ii) the Charterer may terminate this Charter, by notice in writing to the Shipowner, and thereupon the Charterer shall, if requested by the Shipowner, forthwith at the Shipowner's expense deliver or cause to be delivered the Vessels to the Shipowner at a safe berth at the port of St. Louis, Missouri, or, in the alternative, the Shipowner may enter upon and take possession of the Vessels, wherever found, whether underway or in any port, harbor or other place, and for that purpose may enter upon any dock, pier or other premises and take such steps as may be necessary to take possession of the same and to discharge, deliver, redeliver or otherwise dispose of any cargo aboard the same, all at the sole risk, cost and expense of the Charterer.

At any time after an Event of Default shall have occurred and be continuing, the Shipowner may request the Charterer to deliver, and the Charterer shall deliver, as soon as possible, a certificate setting forth the current location of all of the Vessels.

The remedies in this Charter provided in favor of the Charterer shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor

existing at law, in admiralty or equity, including, but not limited to, any loss of benefit of the transaction contemplated by this Charter and the purchase option set forth in Section 18.

The failure of the Charterer to exercise its rights granted it hereunder, or the partial exercise of such rights, upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such rights upon the continuation or recurrence of any such contingencies or similar contingencies or preclude any other or further exercise of such rights or of any other rights.

The Charterer may, at its option but at the expense of and for the account of the Shipowner, and without waiving any of the rights of the Charterer against the Shipowner, cure any such Event of Default, and if the Charterer shall so cure any such Event of Default it shall be entitled to interest at the Default Rate from the date of curing such Event of Default until reimbursed by the Shipowner, on the amount expended by the Charterer to cure any such Event of Default.

Section 18. Purchase Option. The Charterer shall have the sole and exclusive right, exercisable by giving the Shipowner written notice of its election to exercise such right no later than one hundred twenty (120) days prior to the expiration of the original one (1) year term or any then existing renewal term, to purchase on the expiration of the then current term of this Charter the Vessels for the purchase price as set forth in Exhibit C hereto. In the event that the Charterer exercises its option, Charterer shall purchase all of the Vessels that are then subject to this Charter and Shipowner shall convey title upon tender of the full purchase price to the Charterer on an **AS IS, WHERE-IS** basis, provided, however, Shipowner shall provide, or cause to be provided, good and marketable title to the Vessels, free and clear of all liens and encumbrances created by the Shipowner or anyone acting by or through the Shipowner.

Section 19. Notices. All notices and other communications hereunder shall be mailed postage prepaid by certified mail, return receipt requested, and addressed to the Charterer and the Shipowner, respectively, at the addresses set forth on page one hereof or at such other address or addresses as such parties shall hereafter specify in writing to the other parties hereto.

Section 20. Miscellaneous.

(a) This Charter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) All amounts and moneys referred to in this Charter shall be construed to mean money which at the time is lawful money of the United States.

(c) The section headings are for convenience only and shall not be construed as a part of this Charter.

(d) Except as otherwise provided herein, this Charter shall be governed by and construed in accordance with the laws of the United States and the State of Missouri.

(e) If any payment to be made by the Charterer hereunder shall become due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

(f) Any payment not made by the Charterer to the Shipowner when due as provided in this Charter shall bear interest from the due date thereof at the Default Rate until paid.

Section 21. Severability; Effect and Modification of Charter. Any provision of this Charter which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or enforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

No variation or modification of this Charter and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Shipowner and the Charterer.

Section 22. Definitions. For all purposes of this Charter, unless otherwise expressly provided or unless the context otherwise requires:

(a) All references herein to sections or other subdivisions, unless otherwise specified, refer to the corresponding sections and other subdivisions of this Charter;

(b) The terms "hereof", "herein", "hereby", "hereto", "hereunder", and "herewith" refer to this Charter and not to any particular section, paragraph or other subdivision hereof; and

(c) Capitalized terms used herein which are not defined herein but which are defined in Schedule X attached hereto, or by reference therein to other instruments, shall have the respective meanings stated therein or in such other instruments.

IN WITNESS WHEREOF, the Charterer and the Shipowner have executed this Charter the day and year first above written.

CARGILL LEASING CORPORATION

By: Donald R Nil

Name: Donald R. Nielsen

Title: V.P.

Date: May 21, 1993

STATE OF ARIZONA

COUNTY OF MARICOPA

On this 21st day of May, 1993, before me personally appeared Donald R. Nielsen, to me personally known, who, being by me duly sworn, did say that he is Vice President of Cargill Leasing Corporation, the corporation described in and which executed the above Bareboat Charter instrument; that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Linda Gardner

Notary Public

My commission expires:

My Commission Expires June 23, 1995

AMERICAN COMMERCIAL LINES, INC.

By: James J. Wolff

Name: James J. Wolff

Title: Senior Vice President

Date: May 19, 1993

STATE OF INDIANA

COUNTY OF CLARK

On this 19th day of May, 1993, before me personally appeared James J. Wolff, to me personally known, who, being by me duly sworn, did say that he is Senior Vice President (title) of American Commercial Lines, Inc. (name of corporation), the corporation described in and which executed the above Bareboat Charter instrument; that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Gaye Decker
Notary Public

My commission expires:

GAYE DECKER
NOTARY PUBLIC STATE OF INDIANA
CLARK COUNTY
MY COMMISSION EXP JAN. 6,1996

SCHEDULE X - DEFINITIONS

BAREBOAT CHARTER NO. 02386, as of May 28, 1993

BETWEEN CARGILL LEASING CORPORATION

and AMERICAN COMMERCIAL LINES, INC.

"Affiliate" of any specified Person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, the term "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Basic Charter Hire" means the amounts payable by the Charterer pursuant to Section 2(a) of the Charter.

"Business Day" means a day which is not a Saturday, Sunday or other day on which banking institutions doing business in Minneapolis, Minnesota are authorized or obligated by law or required by executive order to be closed.

"Charter" means this Bareboat Charter No. 02386 dated as of May 28, 1993, between the Shipowner and the Charterer, as the same may be modified, amended or supplemented from time to time in accordance with the applicable provisions thereof.

"Charterer" means American Commercial Lines, Inc., a Delaware corporation, and its successors and assigns.

"Charter Hire Payment Date" means May 20, 1993, and the twentieth day of each month thereafter until termination of this Charter.

"Charter Period" means the Term, as adjusted pursuant to Sections 1, 12, 14 or 17 of the Charter.

"Citizen" means a "citizen of the United States" within the meaning of Section 2 of the Shipping Act, 1916, as amended, qualified to engage in the coastwide trade.

"Default Rate" means, with respect to any time period, the lesser of (i) three percent (3%) in excess of the prime rate of interest charged by Chase Manhatten Bank on the date of the event in question and (ii) the greatest amount permitted by applicable law.

"Dollars" means any coin or currency which at the time of payment is legal tender for the payment of public and private debts in the United States.

"Event of Default" means any of the events specified in Section 16 of the Charter.

"Event of Loss" with respect to any Vessel means any of the following events with respect to such Vessel: (i) loss of such Vessel or of the use thereof due to theft, disappearance, destruction or damage thereto which, in the reasonable judgment sole opinion of the Charterer, shall make repair thereof uneconomical or make such Vessel permanently unfit for normal use for any reason whatsoever; (ii) any damage to such Vessel which results in an insurance settlement with respect to such Vessel on the basis of a total loss; (iii) the condemnation, forfeiture, confiscation or seizure of, or requisition of title to, such Vessel provided that, if such condemnation, forfeiture, confiscation or seizure under this clause (iii) occurs as a result of or in connection with Shipowner's Liens and if, on or prior to the date for payment of Stipulated Loss Value with respect to such Event of Loss, the Vessel condemned, forfeited, confiscated or seized is recovered by the Shipowner or the Charterer, no Event of Loss shall be deemed to have occurred and the Charter shall continue in full force and effect with respect to such Vessel; (iv) a requisition of use of such Vessel by any governmental authority (other than the United States or any agency or instrumentality thereof) for a period in excess of 60 days; or (v) a requisition of use of such Vessel by any governmental authority for a period which extends beyond the end of the Charter Period with respect to such Vessel.

"Hire" means Basic Charter Hire and Supplemental Charter Hire.

"Hire Factors" means Basic Charter Hire and Stipulated Loss Values.

"Lien" means any lien, encumbrance, mortgage, pledge, charge, lease, security interest or claim of any nature whatsoever.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Request" means a written request to a Person for the action therein specified, signed, if the Person making such request is a corporation, by a Responsible Officer thereof or, if the Person making such request is not a corporation, by such Person.

"Responsible Officer" means, when used with respect to any corporation, the chairman or vice chairman of the board, the president, any vice president, any assistant vice president, the comptroller, the secretary, any assistant secretary, the treasurer, any assistant treasurer, or any other officer of such

corporation, customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Shipowner" means Cargill Leasing Corporation, a Delaware corporation, and its successors and assigns.

"Stipulated Loss Value" with respect to any Vessel means the amount set forth in Exhibit B hereto and assumes all Basic and Supplemental Charter Hire has been paid up to that date.

"Supplemental Charter Hire" means all amounts which the Charterer agrees to pay to the Shipowner pursuant to the Charter other than Basic Charter Hire.

"Term" shall have the meaning assigned in Section 1 of the Charter.

"Vessel" means the twenty-nine (29) covered hopper barges described on Exhibit A hereto.

BAREBOAT CHARTER NO. 02386

EXHIBIT A

Official Name	Description	Manufacturer	Official Number
ATC-201	1979 Open Top	St Louis Ship	608226
ATC-202	1979 Open Top	St Louis Ship	608227
ATC-203	1979 Open Top	St Louis Ship	608228
ATC-204	1979 Open Top	St Louis Ship	608229
ATC-205	1979 Open Top	St Louis Ship	608230
ATC-206	1979 Open Top	St Louis Ship	608231
ATC-207	1979 Open Top	St Louis Ship	608232
ATC-208	1979 Open Top	St Louis Ship	608233
ATC-800	1974 Roll Top	Jeffboat	972805
ATC-801	1974 Roll Top	Jeffboat	972806
ATC-802	1974 Roll Top	Jeffboat	972807
ATC-803	1974 Roll Top	Jeffboat	972808
ATC-804	1974 Roll Top	Jeffboat	972809
ATC-805	1974 Roll Top	Jeffboat	972810
ATC-806	1974 Roll Top	Jeffboat	972811
ATC-807	1974 Roll Top	Jeffboat	972812
ATC-808	1974 Roll Top	Jeffboat	972813
ATC-901	1980 Steel Lift Top	Jeffboat	972814
ATC-902	1980 Steel Lift Top	Jeffboat	972815
ATC-903	1980 Steel Lift Top	Jeffboat	972816
ATC-904	1980 Steel Lift Top	Jeffboat	972817
ABC-716	1980 Steel Lift Top	Dravo	621882
ABC-720	1980 Steel Lift Top	Dravo	621886
ABC-721	1980 Steel Lift Top	Dravo	621887
DY-3	1973 Box w/ Roll Top	St Louis Ship	553287
OKG-11	1979 Fiberglass Top	Hillman	602511
OKG-13	1979 Fiberglass Top	Hillman	602513
OKG-16	1979 Fiberglass Top	Hillman	602516
OKG-17	1979 Fiberglass Top	Hillman	602517

Total No. Vessels: 29

BAREBOAT CHARTER NO. 02386

EXHIBIT B
Stipulated Loss Values (SLV)

Valid Through	SLV	Valid Through	SLV
		10/19/96	$2,869,002
4/19/93	$4,328,634	11/19/96	$2,828,094
5/19/93	$4,298,937	12/19/96	$2,786,065
6/19/93	$4,270,175	1/19/96	$2,744,453
7/19/93	$4,239,997	2/19/97	$2,702,488
8/19/93	$4,210,735	3/19/97	$2,657,945
9/19/93	$4,181,223	4/19/97	$2,615,245
10/19/93	$4,150,315	5/19/97	$2,571,466
11/19/93	$4,120,290	6/19/97	$2,528,032
12/19/93	$4,088,881	7/19/97	$2,483,536
1/19/93	$4,058,335	8/19/97	$2,439,355
2/19/94	$4,027,529	9/19/97	$2,394,799
3/19/94	$3,993,150	10/19/97	$2,349,208
4/19/94	$3,961,790	11/19/97	$2,303,886
5/19/94	$3,929,079	12/19/97	$2,257,548
6/19/94	$3,897,175	1/19/97	$2,211,447
7/19/94	$3,863,933	2/19/98	$2,164,955
8/19/94	$3,831,476	3/19/98	$2,116,289
9/19/94	$3,798,743	4/19/98	$2,068,989
10/19/94	$3,764,691	5/19/98	$2,020,720
11/19/94	$3,731,391	6/19/98	$1,972,608
12/19/94	$3,696,786	7/19/98	$1,923,547
1/19/94	$3,662,909	8/19/98	$1,874,610
2/19/95	$3,628,744	9/19/98	$1,825,257
3/19/95	$3,591,307	10/19/98	$1,774,985
4/19/95	$3,556,535	11/19/98	$1,724,786
5/19/95	$3,520,492	12/19/98	$1,673,688
6/19/95	$3,485,118	1/19/98	$1,622,629
7/19/95	$3,448,489	2/19/99	$1,571,136
8/19/95	$3,412,503	3/19/99	$1,517,914
9/19/95	$3,376,212	4/19/99	$1,465,532
10/19/95	$3,338,687	5/19/99	$1,412,303
11/19/95	$3,301,769	6/19/99	$1,359,024
12/19/95	$3,263,633	7/19/99	$1,304,920
1/19/95	$3,226,077	8/19/99	$1,250,729
2/19/96	$3,188,202	9/19/99	$1,196,077
3/19/96	$3,148,259	10/19/99	$1,140,633
4/19/96	$3,109,724	11/19/99	$1,085,047
5/19/96	$3,070,009	12/19/99	$1,028,691
6/19/96	$3,030,809	1/19/99	$ 972,154
7/19/96	$2,990,445	2/19/00	$ 915,136
8/19/96	$2,950,570	3/19/00	$ 900,000
9/19/96	$2,910,355		

* SLV in the case of an Event of Loss for a single Vessel shall be 1/29th of the amount above.

BAREBOAT CHARTER NO. 02386

EXHIBIT C
Purchase Option Schedule

PURCHASE OPTION DATE	PURCHASE OPTION AMOUNT
3/19/94	$ 3,993,150
3/19/95	$ 3,591,307
3/19/96	$ 3,148,259
3/19/97	$ 2,657,945
3/19/98	$ 2,116,289
3/19/99	$ 1,517,914
3/19/00	$ 900,000