RECORDATION NO 16678 FILED 1425
DEC 28 1989 -9 45 AM
INTERSTATE COMMERCE COMMISSION

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December 28, 1989

9-362A014

BY HAND

Ms. Noreta R. McGee
Secretary
Room 2303
Interstate Commerce Commission
12th Street and
Constitution Avenue, N.W.
Washington, D.C. 20423

Re: Financing of Rail Cars for Occidental Chemical Corporation (1989-I)

Dear Ms. McGee:

Enclosed herewith for filing pursuant to Section 11303 of Title 49 of the United States Code are two (2) notarized originals of each of the documents described below (the "Filed Documents"):

1. Lease Agreement (1989-I) dated as of December 12, 1989, a primary document which includes the related Certificate of Acceptance dated December 15, 1989.

2. Security Agreement (1989-I) dated as of December 12, 1989, a primary document.

3. Sales Agency Agreement (1989-I) dated as of December 12, 1989, a primary document.

4. Call Option Agreement (1989-I) dated as of December 12, 1989, a primary document.

5. Guaranty (1989-I) dated as of December 12, 1989, a primary document.

6. Loan Agreement (1989-I) dated as of December 12, 1989, a primary document.

7. Pledge Agreement (1989-I) dated December 28, 1989, a primary document.

8. Payment Undertaking Agreement (1989-I) dated December 28, 1989, a primary document.

The parties to the above-listed documents are as follows:

1. Lease Agreement (1989-I): Occidental Chemical Corporation as Lessee and ABB Credit Finans AB as Lessor.

2. Security Agreement (1989-I): ABB Credit Finans AB as Grantor and Occidental Chemical Corporation as Secured Party.

3. Sales Agency Agreement (1989-I): ABB Credit Finans AB as Principal and Occidental Chemical Corporation as Sales Agent.

4. Call Option Agreement (1989-I): ABB Credit Finans AB as Call Optiongrantor and Occidental Chemical Corporation as Call Optionholder.

5. Guaranty (1989-I): from Occidental Petroleum Corporation as Guarantor to ABB Credit Finans AB as Lessor.

6. Loan Agreement (1989-I): Algemene Bank Nederland (Sverige) AB as Lender and ABB Credit Finans AB as Borrower.

7. Pledge Agreement (1989-I): Algemene Bank Nederland (Sverige) AB as Lender and ABB Credit Finans AB as Borrower.

8. Payment Undertaking Agreement (1989-I): Hollandsche Bank-Unie N.V. as Bank, ABB Credit Finans AB as Lessor and Occidental Chemical Corporation as Lessee.

The addresses of the parties to the above-listed documents are as follows:

ABB Credit Finans AB
Nybrokajen 15
S-111 48 Stockholm
Sweden
Attention: Vice President - Administration

Occidental Chemical Corporation
Corporate Office
Occidental Tower
5005 LBJ Freeway
P.O. Box 809050
Dallas, Texas 75380
Attention: Debt Compliance

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: Vice President and Treasurer

Algemene Bank Nederland (Sverige) AB
Box 26096
S-100 41 Stockholm
Sweden
Attention: Management

Hollandsche Bank-Unie N.V.
Coolsingel 104
P.O. Box 249
3000 AE Rotterdam
The Netherlands

The railway equipment covered by the primary documents listed above consists of 192 General Purpose Tank Cars manufactured by Union Tank Car Company, bearing identification numbers HOKX 111351-111542, inclusive.

If you have any questions or wish to discuss any of the Filed Documents, please telephone Eileen O'Hern (212-820-1784) or the undersigned at the number above.

A fee of $120.00 is enclosed. Kindly stamp with the appropriate recordation number and return one of the two enclosed originals of the Filed Documents to the person delivering the same. Also, please stamp and return to the

person delivering the Filed Documents the enclosed two copies of this letter to indicate receipt and recordation today of such letter and the other Filed Documents.

Short Summaries of the documents to appear in the index follow:

1. Lease Agreement (1989-I) between Occidental Chemical Corporation, Corporate Office, Occidental Tower, 5005 LBJ Freeway, P.O. Box 809050, Dallas, Texas 75380 as Lessee and ABB Credit Finans AB, Nybrokajen 15, S-111 48 Stockholm, Sweden as Lessor, dated as of December 12, 1989 and covering 192 General Purpose Tank Cars manufactured by Union Tank Car Company bearing identification numbers HOKX 111351-111542, inclusive.

2. Security Agreement (1989-I) between ABB Credit Finans AB, Nybrokajen 15, S-111 48 Stockholm, Sweden as Grantor and Occidental Chemical Corporation, Corporate Office, Occidental Tower, 5005 LBJ Freeway, P.O. Box 809050, Dallas, Texas 75380 as Secured Party, dated as of December 12, 1989 and covering 192 General Purpose Tank Cars manufactured by Union Tank Car Company bearing identification numbers HOKX 111351-111542, inclusive.

3. Sales Agency Agreement (1989-I) between ABB Credit Finans AB, Nybrokajen 15, S-111 48 Stockholm, Sweden as Principal and Occidental Chemical Corporation, Corporate Office, Occidental Tower, 5005 LBJ Freeway, P.O. Box 809050, Dallas, Texas 75380 as Sales Agent, dated as of December 12, 1989 and covering 192 General Purpose Tank Cars manufactured by Union Tank Car Company bearing identification numbers HOKX 111351-111542, inclusive.

4. Call Option Agreement (1989-I) between ABB Credit Finans AB, Nybrokajen 15, S-111 48 Stockholm, Sweden as Call Optiongrantor and Occidental Chemical Corporation, Corporate Office, Occidental Tower, 5005 LBJ Freeway, P.O. Box 809050, Dallas, Texas 75380 as Call Optionholder, dated as of December 12, 1989 and covering 192 General Purpose Tank Cars manufactured by Union Tank Car Company bearing identification numbers HOKX 111351-111542, inclusive.

5. Guaranty (1989-I) from Occidental Petroleum Corporation, 10889 Wilshire Boulevard, Los Angeles, California 90024 as Guarantor to ABB Credit Finans AB, Nybrokajen 15, S-111 48 Stockholm, Sweden as Lessor dated as of December 12,

1989 and covering 192 General Purpose Tank Cars manufactured by Union Tank Car Company bearing identification numbers HOKX 111351-111542, inclusive.

6. Loan Agreement (1989-I) between Algemene Bank Nederland (Sverige) AB, Box 26096, S-100 41 Stockholm, Sweden as Lender and ABB Credit Finans AB, Nybrokajen 15, S-111 48 Stockholm, Sweden as Borrower, dated as of December 12, 1989 and covering 192 General Purpose Tank Cars manufactured by Union Tank Car Company bearing identification numbers HOKX 111351-111542, inclusive.

7. Pledge Agreement (1989-I) between Algemene Bank Nederland (Sverige) AB, Box 26096, S-100 41 Stockholm, Sweden as Lender and ABB Credit Finans AB, Nybrokajen 15, S-111 48 Stockholm, Sweden as Borrower, dated December 28, 1989 and covering 192 General Purpose Tank Cars manufactured by Union Tank Car Company bearing identification numbers HOKX 111351-111542, inclusive.

8. Payment Undertaking Agreement (1989-I) among Hollandsche Bank-Unie N.V. as Bank, ABB Credit Finans AB, Nybrokajen 15, S-111 48 Stockholm, Sweden as Lessor and Occidental Chemical Corporation, Corporate Office, Occidental Tower, 5005 LBJ Freeway, P.O. Box 809050, Dallas, Texas 75380 as Lessee, dated December 28, 1989 and covering 192 General Purpose Tank Cars manufactured by Union Tank Car Company bearing identification numbers HOKX 111351-111542, inclusive.

Respectfully submitted,

Joseph M. Juhas

Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

12/28/89

OFFICE OF THE SECRETARY

Joseph M. Juhas
Dewey,Ballantine,Bushby,Palmer & Wood
140 Broadway
New York,10005

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/28/89 at 9:45am and assigned recordation number(s).16678,16678-A,16678-B,16678-C,16678-D,16678-E,16678-F & 16678-G

Sincerely yours,

Noreta R. McGee

Noreta R. McGee
Secretary

Enclosure(s)

16678
RECORDATION NO _____ FILED 1425
DEC 28 1989 -9 45 AM
INTERSTATE COMMERCE COMMISSION

EXECUTION COPY

LEASE AGREEMENT
(1989-I)

dated as of

December 12, 1989

between

ABB CREDIT FINANS AB,
Lessor

and

OCCIDENTAL CHEMICAL CORPORATION,
Lessee

RAIL CARS

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on December __, 1989 at __:__ __.m., recordation number _____.

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Exhibit C Form of Acceptance Letter
Exhibit D Form of Assumption Agreement
Exhibit E Form 1001
Exhibit F Form of Loan Agreement
Exhibit G Form of Agreement to Enter Into Deposit Arrangement

THIS LEASE AGREEMENT is dated as of the 12th day of December, 1989, **BETWEEN**

ABB Credit Finans AB, a corporation organized and existing under the laws of the Kingdom of Sweden ("Lessor"); and

Occidental Chemical Corporation, a New York corporation ("Lessee").

W I T N E S E T H :

WHEREAS, Lessor proposes to purchase certain rail cars from the respective Manufacturers pursuant to the Purchase Documents Assignment;

WHEREAS, Lessor proposes to enter into the Loan Agreement with Lender to finance a portion of such proposed purchases and, pursuant thereto, to enter into the Pledge Agreement with Lender securing Lessor's obligations under the Loan Agreement; and

WHEREAS, upon the terms and conditions and for the purposes set forth herein, Lessor and Lessee propose to subject the Equipment to this Lease;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE 1.

DEFINITIONS; RULES OF INTERPRETATION

SECTION 1.1. Definitions. For all purposes hereof, the capitalized terms used herein shall have the respective following meanings:

"AAR" means American Association of Railroads.

"ABB-Group" means ABB Asea Brown Boveri Limited, Switzerland, or any company directly or indirectly controlled by it.

"Act" means the Interstate Commerce Act (49 U.S.C. § 10101 et seq.), as amended from time to time.

"Affiliate" means, with respect to a specified entity, an entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the entity specified. For purposes of this definition, the term "control" (including the terms "controlled by" and "under common control with") means possession, direct or indirect, of the power to direct or cause the direction of management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

"After-Tax Basis" means on a basis such that any payment to be received or deemed to have been received by a Person shall be supplemented by a further payment to such Person so that the sum of the two payments, after deduction of all Taxes resulting from the receipt or accrual of such payments, shall be equal to the payment to be received or deemed to have been received.

"Agreement to Enter Into Deposit Arrangement" means the Agreement to Enter Into Deposit Arrangement of even date herewith among Lessor, Lessee and Hollandsche Bank-Unie N.V.

"Alternate Storage Sites" has the meaning ascribed to such term in Section 11.1.2.

"Arbitration Procedure" means arbitration in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. All proceedings shall be conducted in Stockholm and in the English language. The conclusions of the arbitrators shall be binding on the parties to the proceeding.

"Assignor" means Occidental Chemical Corporation, a New York corporation, as Assignor under the Purchase Documents Assignment.

"Banking Day" means a day, other than a Saturday or Sunday, on which commercial banks are open for business in Stockholm, London, Amsterdam and New York City.

"Basic Lease Termination Date" means the tenth anniversary of the Lease Commencement Date or, if such date is not a Banking Day, then the next succeeding Banking Day.

"Basic Rent" as to any Item of Equipment shall mean the rent payable pursuant to Section 4.1.1 with respect to the lease of such Item of Equipment.

"Basic Term" means the period commencing on the Lease Commencement Date and, unless sooner terminated pursuant to the provisions of this Lease, ending on the Basic Lease Termination Date.

"Block" has the meaning ascribed to such term in Section 11.1.2.

"Certificate of Acceptance" means the Certificate of Acceptance, in substantially the form of Exhibit A hereto, pursuant to which, among other things, Lessee shall have accepted the Equipment under this Lease.

"Challenge to Swedish Deductions" means (i) an amendment to the Swedish income tax statute in relation to either or both of the assumptions that Lessor is entitled to depreciate the Equipment on a 30% declining balance basis and to deduct the full amount of stated interest payable on the Loan for the period in which such interest accrues, (ii) an assertion of the type referred to in subclause (y) of the second sentence of Section 22.4 in relation to the assumptions that Lessor is entitled to depreciate the Equipment on a 30% declining balance basis or to deduct the full amount of stated interest payable on the Loan for the period in which such interest accrues or (iii) delivery by the Lessor to the Lessee of an opinion of independent counsel selected by Lessor and reasonably acceptable to Lessee to the effect that, by reason of the imposition or issuance of any decree or guideline by any Swedish taxing authority or the rendering of any opinion or judgment by any competent tax court, the Lessor (or any consolidated or combined group of which Lessor is a member) could not reasonably take the position on its tax return that it is entitled to depreciate the Equipment on a 30% declining balance basis or to deduct the full amount of stated interest payable on the Loan for the period in which such interest accrues.

"Change in Swedish Tax Rate" means any change in Swedish tax law or regulations, or any change in the interpretation and application thereof, in relation to the assumption that the Swedish corporate tax rate applicable to Lessor is at least 40% per annum for the calendar years 1989 and 1990 and not more than 30% per annum with respect to taxable income attributable to each such subsequent calendar year.

"Claimant", with respect to any person or entity (a "Specified Party"), means any person or entity claiming by, through, under, against or on behalf of such Specified Party (including, without limitation, any liquidator, receiver, administrator, trustee or other similar officer of such Specified Party and any creditor of such Specified Party).

"Column A Event" means, with respect to an Item of Equipment, (i) an Event of Loss, (ii) an Illegality (U.S.) Event of Termination, (iii) an Illegality (Third Country) Event of Termination, (iv) an event described in Section

10.2.1(c) that is not a Column C Event referred to in clause (ii) or (iii) of the definition thereof or a Column E Event referred to in clause (ii) or (iii) of the definition thereof), (v) an event described in clause (h) of Section 10.3.1, (vi) an Event of Default, (vii) an event described in Section 10.5.1 or (viii) an event described in Section 10.3.1(j) that is not a Column C Event described in clause (iii) of the definition thereof.

"Column A Percentage" means, with respect to an Item of Equipment as of any Termination Date, the percentage set forth in Column A of the Termination Value Schedule opposite such Termination Date or, if such Termination Date is not a Termination Value Determination Date, the Termination Value Determination Date which immediately precedes such Termination Date.

"Column B Event" means an event described in Section 22.1.2 or an event described in Section 10.2.1(e).

"Column B Percentage" means, as of any Termination Date, the percentage set forth in Column B of the Termination Value Schedule opposite such Termination Date, or, if such Termination Date is not a Termination Value Determination Date, the Termination Value Determination Date which immediately precedes such Termination Date.

"Column C Event" means (i) an Illegality (Lessor's Country) Event of Termination, (ii) an event described in Section 10.2.1(c)(2) if the acceleration of the Loan is attributable directly and primarily to an event described in Clause 5(h)(1) of the Loan Agreement resulting from application of the internal laws of the jurisdiction where Lessor has its principal place of business or (iii) an event described in Section 10.2.1(c)(2) if the acceleration of the Loan is attributable directly and primarily to an event described in Clause 5(k) of the Loan Agreement or an event described in Section 10.3.1(j) if, in each case, at the time of such event, the consolidated group of which the Lessor is a member is in imminent danger of insolvency.

"Column C Percentage" means, as of any Termination Date, the percentage set forth in Column C of the Termination Value Schedule opposite such Termination Date or, if such Termination Date is not a Termination Value Determination Date, the Termination Value Determination Date which immediately precedes such Termination Date.

"Column D Event" means a voluntary termination of this Lease pursuant to Section 10.4.

"Column D Percentage" means, as of any Termination Date, the percentage set forth in Column D of the Termination Value Schedule opposite such Termination Date.

"Column E Event" means (i) an event described in clauses (b) through (g) of Section 10.3.1, (ii) an event described in Section 10.2.1(c)(2) if the acceleration or other required prepayment of the Loan is attributable directly and primarily to an event described in Clause 5(a) (insofar as it relates to Borrower's covenants under Clause 7 of the Loan Agreement) or Clauses 5(c) through (g) of the Loan Agreement or (iii) an event described in Section 10.2.1(c)(2) if the acceleration or other required prepayment of the Loan is attributable directly and primarily to an event described in Clause 5(h)(2) of the Loan Agreement resulting from any Operative Document to which Lessor is a party (y) purporting to have been revoked, terminated or rescinded by Lessor or (z) under which Lessor denies further liability or obligation.

"Corporate Rate" means an annual rate of interest equal to the Prime Rate minus 1.0% (or, if lower, the highest rate of interest permitted by applicable law) calculated on the number of days elapsed in a year of 360 days.

"Debt Participation Percentage" means 93.00%.

"Debt Portion" means that portion of any Termination Sum described in clause (i) of the definition of Termination Sum.

"Default" means any event or circumstance which with the giving of notice or passage of time or both would constitute an Event of Default.

"Default Termination Date" has the meaning ascribed to such term in Section 12.2.3.

"Delivery Date" means the date on which the Equipment is delivered to Lessor under the Purchase Documents Assignment and the applicable Purchase Documents and the Certificate of Acceptance.

"Deposit Agreement" means the Deposit Agreement, if any, entered into pursuant to the Agreement to Enter Into Deposit Arrangement.

"Designated Sums" has the meaning ascribed to such term in Section 4.5.2.

"Disposition" has the meaning ascribed to such term in Section 13.1.

"Dollar", "United States Dollar" or "$" means the lawful currency of the United States of America.

"Effective Date" has the meaning ascribed to such term in Section 22.4.

"Equipment" means as of any date all Items of Equipment subject to this Lease.

"Event" means any of a Column A Event, a Column B Event, a Column C Event, a Column D Event or a Column E Event.

"Event of Default" has the meaning ascribed to such term in Section 12.1.

"Event of Loss" with respect to an Item of Equipment means any of the following events or circumstances: such Item of Equipment shall be or become lost, stolen, destroyed, suffer an actual or constructive total loss based on an insurance settlement or, in Lessee's reasonable judgment, be irreparably damaged or damaged or worn out beyond economic repair, from any cause whatsoever; be permanently returned to the Manufacturer pursuant to any indemnity provision; title thereto shall have been taken, condemned or requisitioned or, if resulting in loss of possession by Lessee for a period of more than one hundred eighty (180) consecutive days or for a stated period which exceeds the then remaining term of this Lease with respect to such Item of Equipment, taken or requisitioned by condemnation or otherwise prior to the actual redelivery of such Item of Equipment to Lessor.

"Event of Termination" means any of the following events or circumstances: (i) an Illegality (Lessor's Country) Event of Termination; or (ii) an Illegality (U.S.) Event of Termination; or (iii) an Illegality (Third Country) Event of Termination. The date of any such Event of Termination shall be the date on which such event shall be deemed to have occurred as specified in a certificate delivered by the affected party to the other party or parties to the applicable Operative Document (but in any case to Lessor and Lessee) with respect to the circumstances of such event (which specified date shall be not later than 10 days after delivery of such certificate and not earlier than the date of such certificate).

"Extended Lease Termination Date" means any anniversary of the Basic Lease Termination Date occurring on or before the third such anniversary as provided in Section 2.5 or, if such date is not a Banking Day, then the next succeeding Banking Day.

"Extended Term" means the period commencing on the Basic Lease Termination Date and, unless sooner terminated

pursuant to the provisions of this Lease, ending on the Extended Lease Termination Date.

"Fair Market Value" for an Item of Equipment means the cash price which would be obtained in an arm's-length transaction between an informed and willing buyer under no compulsion to buy, and an informed and willing seller under no compulsion to sell. In determining Fair Market Value at or as of the end of the Term, it shall be assumed that Lessee has complied with all of the terms, provisions and conditions of the Lease and, in the case of an Item of Equipment, that such Item of Equipment is in the condition and configuration required upon its return to Lessor as provided in this Lease.

"Finance Company" has the meaning ascribed to such term in Section 13.1.

"Finance Company Requirement" has the meaning ascribed to such term in Section 13.1.

"Guaranty" means the Guaranty Agreement (1989-I) of even date herewith executed by the Guarantor for the benefit of Lessor.

"Guarantor" means Occidental Petroleum Corporation, a Delaware corporation.

"ICC" means the United States Interstate Commerce Commission.

"Illegality (Lessor's Country) Event of Termination" means the transactions contemplated by one or more of the Operative Documents become, in whole or in material part, illegal in the country in which Lessor maintains its principal corporate offices. For purposes of the foregoing sentence a "material part" shall be so much of the transactions contemplated by the Operative Documents as shall deprive any party thereto of any significant benefit to which such party was entitled thereunder.

"Illegality (U.S.) Event of Termination" means the transactions contemplated by one or more of the Operative Documents become, in whole or in material part, illegal in the United States or any applicable political subdivision thereof. For purposes of the foregoing sentence a "material part" shall be so much of the transactions contemplated by the Operative Documents as shall deprive any party thereto of any significant benefit to which such party was entitled thereunder.

"Illegality (Third Country) Event of Termination" means the transactions contemplated by one or more of the Operative Documents become, in whole or in material part,

illegal in any jurisdiction other than the United States, any applicable political subdivision thereof or the country in which Lessor maintains its principal corporate offices. For purposes of the foregoing sentence a "material part" shall be so much of the transactions contemplated by the Operative Documents as shall deprive any party thereto of any significant benefit to which such party was entitled thereunder.

"Indemnified Person" has the meaning ascribed to such term in Section 20.1.

"Item of Equipment" means each item of equipment listed in Schedule I so long as such item of equipment remains subject to this Lease.

"Law" means, without limitation, applicable laws, statutes, regulations, decrees, acts, codes, legislation, treaties and similar instruments and, in respect of any of the foregoing, any instrument passed in substitution therefor, determinations or awards of any court, arbitral body, tribunal or governmental agency or other authorizations, approvals, certificates and consents of, registrations and filings and exemptions by any Person.

"Lease" means this Lease Agreement between Lessor and Lessee together with the Exhibits and Schedules attached hereto.

"Lease Commencement Date" means the date on which the Equipment was first accepted under this Lease as specified in the Certificate of Acceptance.

"Lender" means Algemene Bank Nederland (Sverige) AB, a bank incorporated under the laws of Sweden, as Lender under the Loan Agreement.

"Lessee" means Occidental Chemical Corporation, a New York corporation.

"Lessor" means ABB Credit Finans AB, a company incorporated under the laws of the Kingdom of Sweden.

"Lessor's Cost (Dollars)" of an Item of Equipment means the amount (expressed in United States Dollars) identified as the "Lessor's Cost (Dollars)" for such Item of Equipment in Schedule I to this Lease.

"Lessor's Cost (Sterling)" of an Item of Equipment means the Sterling equivalent (using the exchange rate in effect on the Delivery Date, as set forth in the Certificate of Acceptance) of Lessor's Cost (Dollars) of such Item of Equipment.

"Lessor's Lien" means any Lien resulting from acts of or claims against Lessor not related to the transactions contemplated by any of the Operative Documents.

"Letter of Credit" means the Letter of Credit dated December 12, 1989 established by Amsterdam-Rotterdam Bank N.V., New York branch, 500 Park Avenue, New York, New York 10022, in favor of ABB Credit Finans AB.

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

"Loan Agreement" means the Loan Agreement (1989-I) of even date herewith between Lessor and Lender.

"Losses" has the meaning ascribed to such term in Section 20.1.

"Manufacturer" means Union Tank Car Company, a Delaware corporation.

"Officer's Certificate" means, in the case of a certificate to be delivered by Lessee, a certificate signed by a Responsible Officer of Lessee and, in the case of a certificate to be delivered by Lessor, a certificate signed by the Chairman, the President or any Vice President of Lessor or any other Person duly authorized and acting in such capacity with respect to the matter addressed in such certificate.

"Operative Documents" means each of this Lease, the Purchase Documents Assignment, the Purchase Documents, the Loan Agreement, the Pledge Agreement, the Security Agreement, the Guaranty, the Letter of Credit, the Agreement to Enter Into Deposit Arrangement and, if applicable, the Deposit Agreement, and any other agreement referred to in, or contemplated by, this Lease.

"Overdue Rate" means an annual rate of interest equal to 2.0% plus the Prime Rate (or, if lower, the highest rate of interest permitted by applicable law) calculated on the number of days elapsed in a year of 360 days, provided that, with respect to payments of Basic Rent or Debt Portion, "Overdue Rate" means the Late Payment Rate as defined in the Loan Agreement.

"Payment Date" means each day of the month in each June and December during the Term, commencing with June 1990, corresponding to the day of the month on which the Lease Commencement Date occurs.

"Payment Undertaking" has the meaning ascribed to such term in Section 4.5.3.

"Prime Rate" means the annual rate of interest announced from time to time by The Chase Manhattan Bank, N.A. at its principal office in New York, New York as its "prime" or "base" rate.

"Permissible Liens" has the meaning ascribed to such term in Section 9.1.

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a state, a government or political subdivision or an agency or instrumentality thereof.

"Pledge Agreement" has the meaning ascribed to such term in the Loan Agreement.

"Purchase Documents" has the meaning ascribed to such term in the Purchase Documents Assignment.

"Purchase Documents Assignment" means that certain Purchase Documents Assignment (1989-I) of even date herewith between Assignor and Lessor whereby Assignor has, among other things, assigned to Lessor all of its interest in and to the Equipment under the Purchase Documents.

"Redelivery Locations" has the meaning ascribed to such term in Section 11.1.1.

"Rent Percentage" means 6.686% (during the Basic Term and the Extended Term).

"Replacement Parts" has the meaning ascribed to such term in Section 7.1.

"Requisition" means a requisition of use or title, forfeiture or any compulsory acquisition whatsoever by any governmental or competent authority.

"Responsible Officer of Lessee" means an officer of Lessee responsible for the administration of this Lease as most recently identified (by name or position) by Lessee in a written notice to Lessor.

"Security Agreement" means that certain Security Agreement (1989-I) of even date herewith between Lessor, as Grantor, and Lessee, as Secured Party.

"Sterling" means the lawful currency of the United Kingdom.

"Supplemental Rent" means any and all amounts, liabilities and obligations (other than Basic Rent) which Lessee assumes or agrees to pay to any Person hereunder or under any other Operative Document, including, without limitation, Termination Sums, indemnity payments and payments pursuant to Section 21.

"Swedish Tax Event" means a Challenge to Swedish Deductions or a Change in Swedish Tax Rate or both.

"Swedish Taxes" has the meaning ascribed to such term in Section 21.3.

"Taxes" has the meaning ascribed to such term in Section 21.2.

"Taxing Authority" has the meaning ascribed to such term in Section 21.2.

"Term" means the term of this Lease, consisting of the Basic Term and, if applicable, the Extended Term.

"Termination Date" means a termination date specified pursuant to Section 10.1.1, 10.2.1, 10.3.1, 10.4.1, 10.5.1, 12.2.3 or 22.1, as the case may be.

"Termination Sum", with respect to an Item of Equipment, means as of any date of payment the sum of (i) that proportion of all outstanding principal under the Loan Agreement which Lessor's Cost (Sterling) of such Item of Equipment bears to Lessor's Cost (Sterling) of all Items of Equipment together with accrued interest under the Loan Agreement and (ii) the amount, if any, payable pursuant to Section 4.6.

"Termination Value Determination Date" means any date specified on the Termination Value Schedule.

"Termination Value Schedule" means Schedule II to this Lease.

"Transfer Protocol" means a transfer of the interest of any Person in any Item of Equipment on the following terms: (i) the transferor shall, if requested, deliver an appropriate bill of sale (in recordable form if necessary or advisable) with respect to such Item of Equipment stating that the transfer is on an "as is" and "where is" basis; (ii) the transferor shall make no (and may expressly disclaim any) representation of any kind whatsoever in respect of such Item of Equipment as to any matter whatsoever, including, but not limited to the condition, design, quality or capacity of such Item of Equipment or title thereto (except that the transferor shall warrant that it shall convey such title as was conveyed

to it by the Manufacturer pursuant to Section 2.4 free and clear of Lessor's Liens and any other Liens other than Liens attributable to Lessee or the transferee or Liens that Lessee is obligated to discharge hereunder); and (iii) the transferor shall assign, transfer and set over to its transferee all rights and remedies that the transferor may have, and that in their nature are assignable in relation to such Item of Equipment in respect of any warranty, express or implied, as to title, materials, workmanship, design, performance or patent infringement.

SECTION 1.2. **Rules of Interpretation**. Except as otherwise expressly provided in this Agreement, the following rules shall apply hereto:

(a) the singular includes the plural and the plural includes the singular;

(b) "or" is not exclusive and "include" and "including" are not limiting;

(c) a reference to any agreement or other contract includes permitted supplements and amendments;

(d) a reference to a law includes any amendment or modification to such law and any rules or regulations issued thereunder;

(e) a reference to a Person includes its permitted successors and assigns in the applicable capacity;

(f) a reference in this Agreement to an Article, Section, Exhibit or Schedule is to the Article, Section, Exhibit or Schedule of this Agreement unless otherwise expressly provided;

(g) words such as "hereunder", "hereto", "hereof" and "herein" and other words of like import shall, unless the context clearly indicates to the contrary, refer to the whole of this Agreement and not to any particular Article, Section, subsection or clause hereof;

(h) all obligations under this Agreement are continuing obligations throughout the term of this Agreement;

(i) any right in this Agreement may be exercised at any time and from time to time;

(j) the headings of the Articles, Sections and subsections are for convenience and shall not affect the meaning of this Agreement; and

(k) time is of the essence in performing all obligations hereunder.

ARTICLE 2.

AGREEMENT TO LEASE; DELIVERY AND ACCEPTANCE

SECTION 2.1. **Lease.** Subject to Sections 2.3 and 2.4 and Article 16, Lessor and Lessee hereby agree to subject each Item of Equipment listed on Schedule I to the terms and conditions of this Lease for the Basic Term and, if Section 2.5 shall be applicable, the Extended Term.

SECTION 2.2. **Delivery and Acceptance.** Subject to Article 16, upon execution and delivery by Lessee of a Certificate of Acceptance, the Items of Equipment described therein shall be deemed to have been delivered to and accepted by Lessee for all purposes of this Lease and thereupon shall be subject to all the terms and conditions of this Lease. Subject to Article 16, Lessee's execution and delivery of a Certificate of Acceptance shall be conclusive proof that (i) the Items of Equipment listed therein have been subjected to this Lease on the terms hereof, (ii) as between Lessor and Lessee, but without limiting or otherwise affecting Lessor's or Lessee's rights, if any, against the Manufacturer or any other third party, such Items of Equipment are acceptable to, and irrevocably accepted by, Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition or any other respect or the failure of any such Item of Equipment to comply to the specifications applicable thereto or to the requirements of any applicable governmental authority, including all applicable United States Department of Transportation and ICC requirements and specifications, if any, or to all standards recommended by the AAR applicable to new railroad equipment of the character of the Equipment as of the date hereof and (iii) as between Lessor and Lessee, each such Item of Equipment is in good order and condition.

SECTION 2.3. **Delivery under Purchase Documents.** Notwithstanding Section 2.1 above, Lessor's obligation to acquire an Item of Equipment and to lease such Item of Equipment to Lessee hereunder is subject to, among others, the condition that delivery of such Item of Equipment shall have occurred under and in accordance with the terms of the Purchase Documents Assignment and the applicable Purchase Documents to the satisfaction of Lessee. Execution and delivery by Lessee of a Certificate of Acceptance with respect to an Item of Equipment shall be conclusive evidence (insofar as Lessor only is concerned) that delivery thereof shall have occurred under and in accordance with the terms of the

Purchase Documents Assignment and the applicable Purchase Documents to the satisfaction of Lessee.

SECTION 2.4. **Acceptance under Purchase Documents.** Subject to Article 16, Lessor covenants with Lessee to accept delivery of each Item of Equipment from the Manufacturer thereof under and in accordance with the terms of the applicable Purchase Documents and the Purchase Documents Assignment subject to Lessee simultaneously therewith taking delivery of such Item of Equipment under this Lease as evidenced by the execution and delivery by Lessee of a Certificate of Acceptance. Delivery of a Certificate of Acceptance as to an Item of Equipment as provided herein shall conclusively evidence acceptance of such Item of Equipment by Lessee on behalf of Lessor.

SECTION 2.5. **Extended Term.** In the event that Lessor shall not have received, on or before the 60th day prior to the Basic Lease Termination Date, written notice of the exercise of any right of Lessee to acquire all of the Items of Equipment on the Basic Lease Termination Date, this Lease shall be extended for an Extended Term ending on the anniversary of the Basic Lease Termination Date occurring on or before the third anniversary of the Basic Lease Termination Date as specified in a notice given by Lessor to Lessee and Lender (which notice shall also specify the expiration date of any right of Lessee to acquire the Equipment), provided that, until such time as such a notice is given specifying a later date, such a notice shall be deemed to have been given specifying an Extended Term ending on the first anniversary of the Basic Lease Termination Date. All of the provisions hereof, including Article 4, shall continue to apply during such Extended Term. Notwithstanding the foregoing, if, on or prior to the 30th day prior to the Basic Lease Termination Date, Lessor receives irrevocable written notice of the exercise of any such right of Lessee to acquire the Items of Equipment, this Lease shall terminate upon such acquisition.

ARTICLE 3.

NO WARRANTIES; ASSIGNMENT OF WARRANTIES

SECTION 3.1. **No Warranties.** THE LESSOR LEASES, AND LESSEE ACCEPTS TO LEASE, EACH ITEM OF EQUIPMENT AS-IS, WHERE-IS, WITH ALL FAULTS, AND IN WHATEVER CONDITION IT MAY BE. EXCEPT AS EXPRESSLY PROVIDED HEREIN, LESSOR DOES NOT MAKE, HAS NOT MADE, AND SHALL NOT BE DEEMED TO MAKE OR HAVE MADE, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE LESSOR'S TITLE THERETO, THE VALUE, QUALITY, DURABILITY, COMPLIANCE WITH SPECIFICATIONS, CONDITION, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE OR PURPOSE

OF ANY ITEM OF EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT THERETO, EITHER UPON DELIVERY THEREOF TO LESSEE OR OTHERWISE (WHICH ITEMS OF EQUIPMENT WERE SELECTED BY LESSEE ON THE BASIS OF ITS OWN JUDGMENT WITHOUT RELIANCE UPON ANY STATEMENTS, REPRESENTATIONS OR WARRANTIES MADE BY LESSOR) IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN LESSOR AND LESSEE, ARE TO BE BORNE BY LESSEE. LESSOR SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY TO LESSEE OR ANY OTHER PERSON WITH RESPECT TO ANY OF THE FOLLOWING: (I) ANY LIABILITY, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY BY ANY ITEM OF EQUIPMENT OR BY ANY INADEQUACY THEREOF OR DEFICIENCY OR DEFECT THEREIN OR BY ANY OTHER CIRCUMSTANCES IN CONNECTION THEREWITH; (II) THE USE, OPERATION OR PERFORMANCE OF ANY ITEM OF EQUIPMENT OR ANY RISKS RELATING THERETO; (III) ANY INTERRUPTION OF SERVICE, LOSS OF BUSINESS OR ANTICIPATED PROFITS OR CONSEQUENTIAL DAMAGES; OR (IV) THE DELIVERY, OPERATION, SERVICING, MAINTENANCE, REPAIR, IMPROVEMENT OR REPLACEMENT OF ANY ITEM OF EQUIPMENT. Notwithstanding the foregoing, Lessor represents and warrants to Lessee that on the Delivery Date it shall have such title to the Items of Equipment as was conveyed to it by Manufacturer, free and clear of Lessor's Liens. Lessee's delivery of a Certificate of Acceptance relating to an Item of Equipment shall be conclusive evidence as between Lessee and Lessor that such Item of Equipment is in all respects satisfactory to Lessee, and Lessee will not assert any claim of any nature whatsoever against Lessor based on any of the foregoing matters.

SECTION 3.2. <u>Assignment of Warranties</u>. Lessor hereby assigns to Lessee for the Term with respect to each Item of Equipment any and all warranty rights relating thereto that have been assigned to Lessor by Assignor under the Purchase Documents Assignment (except for warranties which by their terms are not assignable or terminate upon assignment) and, as applicable, agrees to use its best efforts (at Lessee's expense) to procure any and all necessary consents so to assign and undertakes forthwith to assign (at Lessee's expense) any additional such warranty rights or any rights similar thereto or otherwise pertaining to the Equipment or the operation, maintenance or service thereof, which may arise during the Term therefor or otherwise are currently not known or considered or covered by this Lease and which Lessor has the right to assign. Any amounts received by Lessee as payment under any such warranty shall be applied to restore the Equipment to the condition required by Articles 6 and 7 and may be applied as otherwise deemed necessary and desirable by Lessee to repair or maintain the Equipment (including in each case Lessee's direct labor costs and general overhead relating to such repair and maintenance). Any amounts received by Lessor under any such warranty shall be paid promptly to Lessee to be so applied. To the extent that any rights of Lessor in respect of the Equipment may not be

assigned to Lessee, or otherwise made available to Lessee, such right shall, however, as between Lessor and Lessee, solely inure to the benefit of Lessee and Lessor will use commercially reasonable efforts, at Lessee's sole expense (which expenses shall be, at Lessor's option, payable or reimbursable on demand and, if requested, in advance), to enforce such rights against the Manufacturers for the benefit of Lessee.

SECTION 3.3. **Further Action.** Lessor undertakes to Lessee that it will, at Lessee's sole expense, execute all such documents and do all such acts and things as Lessee shall reasonably require in order to establish or perfect any assignment of warranty rights as set forth in Section 3.2.

ARTICLE 4.

BASIC RENT AND OTHER PAYMENTS

SECTION 4.1. **Rent.**

4.1.1. Lessee agrees to pay or cause to be paid as Basic Rent for each Item of Equipment, on each Payment Date during the Term (including any Extended Term), an amount (in arrears) equal to the Rent Percentage of Lessor's Cost (Sterling) of such Item of Equipment.

4.1.2. Lessee shall pay or cause to be paid to Lessor, or to whomsoever shall be entitled thereto, any and all Supplemental Rent (including Supplemental Rent with respect to any Termination Sum) on each date on which the same shall become due and owing as may be provided herein or in any other Operative Document, and in the event of any failure on the part of Lessee to pay or cause to be paid any Supplemental Rent, Lessor shall have all rights, powers and remedies to the extent provided for herein or by law or equity or otherwise in the case of nonpayment of Basic Rent.

SECTION 4.2. **Currencies.**

4.2.1. Basic Rent shall be paid in Sterling.

4.2.2. The Debt Portion of any Termination Sum shall be paid in Sterling and any portion of any Termination Sum payable pursuant to Section 4.6 shall be paid in Dollars.

4.2.3. Amounts payable by Lessee pursuant to Section 5.1, Article 20, Article 21 or Section 22.1.4, or any other amount of Supplemental Rent (except as provided in Section 4.2.4), shall be paid in the currency in which the Person indemnified has incurred an obligation for which it is entitled under such Section or Article to be indemnified or

in which the obligation so payable as Supplemental Rent is payable.

4.2.4. Interest on the foregoing amounts, payable as specified in Section 4.3, shall be paid in the same currency in which such amount is payable.

4.2.5. This is an international transaction in which the specification of the currency of payments is of the essence. No payments or advances required to be made under this Lease shall be discharged by payments or advances in any currency other than the designated currency of such payments or advances, whether pursuant to a judgment or otherwise, to the extent that the amount so paid or advanced on prompt conversion to the designated currency (as quoted in London) does not yield the amount of the designated currency to be paid or advanced hereunder. If any payment or advance made by a party hereunder, whether pursuant to a judgment or otherwise, does not, when converted, result in the correct amount of the designated currency required to be paid or advanced hereunder, the other party shall have a separate cause of action for the amount of any shortfall.

SECTION 4.3. Interest.

Lessee shall pay, as Supplemental Rent, interest on all amounts payable by it under this Lease from and after the due date to and including the date paid at the Overdue Rate. Accrued interest pursuant to this Section 4.3 shall be payable by Lessee upon demand therefor.

SECTION 4.4. Payment on Banking Day. Whenever any payment under this Lease shall fall due on a day which is not a Banking Day the due date of such payment shall be the next succeeding Banking Day.

SECTION 4.5. Payment Arrangements.

4.5.1. All payments of Basic Rent and Supplemental Rent shall, on the due dates therefor, be made to such account as Lessor (or any other applicable payee) shall from time to time designate, quoting the applicable bank, account number and reference. All payments to Lessee shall be made to such account as Lessee shall from time to time designate, quoting the applicable bank, account number and reference. Notwithstanding the foregoing, so long as the Pledge Agreement remains in effect, Lessee shall pay all Basic Rent and the Debt Portion of any Termination Sum in favor of Lessor to the Lender.

4.5.2. Lessee may, on the Delivery Date in the manner set forth in Section 4.5.3, designate a bank acceptable to Lessor in its sole discretion, to assume, be liable for and

satisfy, discharge and pay in full each and every payment of Basic Rent and the Debt Portion when due (collectively, the "Designated Sums"). Immediately upon completion of such designation by Lessee and acceptance thereof by Lessor in the manner specified in Section 4.5.3, Lessee shall automatically, irrevocably and unconditionally be discharged of primary liability with respect to the Designated Sums and Lessor agrees to look first to, and, subject to the provisions of the following sentence, to exhaust all contractual and statutory remedies available against, the designated bank for payment of a Designated Sum. Thereafter, Lessor may look to Lessee for payment of a Designated Sum if, and only if, Lessor shall have obtained a judgment against the designated bank and such judgment shall have been returned unexecuted or unsatisfied or shall otherwise not have resulted in the payment or discharge in full of the Designated Sums in respect of which such judgment was received in the first instance; **provided, however**, that Lessor need not first obtain a judgment if Lessor shall have determined (in the case of (i) or (ii) below, on written advice of counsel) that (i) the designated bank shall have ceased to exist and that no claim may be lodged in respect of the Designated Sums with any receiver, liquidator or other similar official or any successor to the designated bank, (ii) the obligations of the designated bank are unenforceable by Lessor in the jurisdiction in which such designated bank has its principal office or (iii) the designated bank has failed to pay or discharge such Designated Sum as a result of Lessee's default under any agreement between Lessee and the designated bank. All costs and expenses incurred by Lessor in connection with or arising out of any such designation, including, without limitation, any enforcement action (or related action) against any designated bank, shall be for the account of Lessee and shall be payable by Lessee upon demand.

4.5.3. In order to designate a bank pursuant to Section 4.5.2, Lessee shall deliver to Lessor an original completed copy of a payment undertaking in substantially the form of Exhibit B (a "Payment Undertaking"), together with an opinion of counsel to such bank (which counsel shall be satisfactory to Lessor) with respect to the obligation of such bank in respect of Designated Sums (the form and substance of such opinion to be to the satisfaction of Lessor). Upon receipt of such documents, Lessor shall either (A) accept the bank so designated by Lessee and execute and deliver a letter in the form of Exhibit C and the Payment Undertaking or (B) specify that Lessor has determined the designated bank to be unacceptable; **provided, however**, that Lessor shall execute and deliver the letter described in the foregoing clause (A) and the Payment Undertaking if the bank designated in the Payment Undertaking is the Lender or an "Affiliate" as defined in the Loan Agreement.

SECTION 4.6. Certain Additional Payments.

4.6.1. If a Termination Sum shall become payable under this Lease with respect to an Item of Equipment as a result of or in connection with:

(i) a Column A Event, Lessee shall, in addition to paying the Debt Portion, pay to Lessor an amount equal to the Column A Percentage as of the applicable Termination Date multiplied by the Lessor's Cost (Dollars) of such Item of Equipment;

(ii) a Column B Event, Lessee shall, in addition to paying the Debt Portion, pay to Lessor an amount equal to the Column B Percentage as of the applicable Termination Date multiplied by the Lessor's Cost (Dollars) of such Item of Equipment;

(iii) a Column C Event, Lessee shall, in addition to paying the Debt Portion, pay to Lessor an amount equal to the Column C Percentage as of the applicable Termination Date multiplied by the Lessor's Cost (Dollars) of such Item of Equipment; or

(iv) a Column D Event, Lessee shall, in addition to paying the Debt Portion, pay to Lessor an amount equal to the Column D Percentage as of the applicable Termination Date multiplied by the Lessor's Cost (Dollars) of such Item of Equipment.

If a Termination Sum shall become payable hereunder with respect to an Item of Equipment as a result of or in connection with a Column E Event, no additional amount shall be payable under this Section 4.6.1.

4.6.2. If an event or circumstance shall arise which constitutes (or, but for the passage of time, the giving of notice or any other circumstance, would constitute) the occurrence of more than one Event, then such event or circumstance shall be deemed solely such Event as shall maximize the amount to which Lessor is entitled under this Section 4.6. If two or more events or circumstances arise which constitute (or, but for the passage of time, the giving of notice or any other circumstance, would constitute) the occurrence of two or more Events, then the Event earliest to occur shall be the controlling event for purposes of this Section 4.6.

ARTICLE 5.

NET LEASE; NONTERMINABILITY

SECTION 5.1. **Net Lease.** This Lease is a net lease, and Lessee acknowledges and agrees that Lessee's obligation to pay Basic Rent, Termination Sum and any other Supplemental Rent hereunder, and the rights of Lessor in and to such Basic Rent, Termination Sum and other Supplemental Rent shall be absolute and unconditional and shall not be subject to any reduction, set-off, defense, counterclaim or recoupment for any reason whatsoever, including, without limitation, due to any present or future claims of Lessee against Lessor under this Lease or otherwise, against any Manufacturer or against any other Person for whatever reason. As between Lessor and Lessee, Lessee shall pay all costs and expenses of every character, whether foreseen or unforeseen, ordinary or extraordinary, in connection with any Item of Equipment, whether with respect to construction, delivery, ownership, use, possession, control, operation, maintenance, repair, insurance, improvement and return of any Item of Equipment, or otherwise, including without limitation the costs and expenses particularly set forth in this Lease. All obligations of Lessee in this Lease shall be done, performed or complied with at Lessee's cost and expense, unless otherwise stated.

SECTION 5.2. **Nonterminability.**

5.2.1. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the obligations of Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Items of Equipment from whatsoever cause, any Liens or rights of others with respect to any of the Items of Equipment, the prohibition of or other restriction against Lessee's use of all or any of the Items of Equipment, the interference with such use by any Person (including confiscation, requisition or other taking by any governmental authority, any Person acting under governmental authority or otherwise, or action of any public or private Person, whether by eviction by paramount title or for any other reason whatsoever), the invalidity or unenforceability or lack of due authorization of this Lease or any other Operative Document or any other agreement to which Lessee or Lessor is a party, any action or inaction by Lessor, any defect in the title to, compliance with plans or specifications for, condition, design or fitness for use of all or any of the Items of Equipment, any insolvency of or any bankruptcy, reorganization or other proceeding against Lessee, Lessor or any other Person, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention

and agreement of the parties hereto, and the basis of the bargain, that (to the extent permitted by applicable law) Basic Rent, Termination Sum, other Supplemental Rent and other amounts payable by Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless and until the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease (in the case of any return of the Items of Equipment to the Lessor, any Item of Equipment shall not be deemed to have been returned to the Lessor's possession until all of the Lessee's obligations with respect to the return, transportation and arranging for storage thereof have been performed). To the fullest extent permitted by applicable law, Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease or any of the Items of Equipment except in accordance with the express terms hereof.

5.2.2. Nothing in this Section 5.2 or in any other provision of this Lease shall preclude any separate, independent claim (not by way of abatement or reduction of any amount at any time payable by Lessee hereunder) by Lessee for the breach of any representation, covenant, undertaking or agreement made herein and in any other Operative Document for the benefit of Lessee by Lessor.

ARTICLE 6.

COMPLIANCE WITH LAWS; MAINTENANCE AND OPERATION

SECTION 6.1. **Compliance.** Lessee agrees, for the benefit of Lessor, to comply with the maintenance and operation standards under the Interchange Rules of the AAR and all laws, rules, regulations, requirements and orders of all governmental authorities having jurisdiction with respect to the use, maintenance, condition and operation of each Item of Equipment (regardless of upon which Person such laws, rules, regulations, requirements or orders shall, by their terms, be nominally imposed), unless Lessee shall be contesting the validity thereof in good faith and by appropriate proceedings, but only so long as such proceedings (i) shall not involve any danger of the sale, forfeiture or loss of any Item of Equipment, or any part thereof or interest therein, (ii) shall not result in, or involve any material probability of resulting in, the creation of any Lien on or with respect to any Item of Equipment, or any part thereof or interest therein, which is not a Permissible Lien, (iii) shall not adversely affect the title, lease or insurance coverage or materially adversely affect the operation, maintenance, use, value, utility or warranty coverage of any of the Items of Equipment or (iv) shall not involve a material possibility of

resulting in any civil liability or a possibility of resulting in any criminal liability on the part of Lessor. Lessee will maintain all records, logs and other materials required by any governmental authority having jurisdiction to be maintained in respect of any Item of Equipment, regardless of upon which Person any such requirements shall, by their terms, be nominally imposed. Lessee, at its own expense, will procure and pay for all permits, franchises, inspections and licenses necessary or appropriate in connection with any Item of Equipment and any repair, restoration, replacement, renewal, addition or improvement thereof and thereto.

SECTION 6.2. **Use and Maintenance.** Lessee, at its own expense, will maintain, service, test and repair each Item of Equipment and from time to time make or cause to be made all necessary restorations thereto as are consistent with the prudent practice of the chemical transportation industry, but in any event to the same extent that Lessee would, in the prudent management of its properties, maintain, service and repair comparable equipment if owned or leased by Lessee, to the extent necessary that each Item of Equipment will remain (a) in good operating condition and in the same condition as when delivered, ordinary wear and tear excepted, (b) in compliance with all applicable laws and regulations regarding maintenance and operation, (c) in accordance with any Manufacturer's warranties, (d) in accordance with any insurance policies and (e) in compliance with Section 6.1 hereof. In no event shall any Item of Equipment be maintained or serviced to a lesser standard of maintenance than that employed by Lessee for similar equipment owned or leased by it. Any replacements made by Lessee to or upon any Item of Equipment shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in Lessor, without cost or expense to Lessor, but the replaced parts shall no longer be the property of Lessor, provided the replacements have a value, utility and remaining useful life at least equal to the replaced parts.

SECTION 6.3. **Reports.** In addition to its reporting obligations under Article 10, Lessee agrees to prepare and deliver to Lessor within a reasonable time prior to the required date of filing any and all reports (other than income tax returns) to be filed by Lessor with any United States federal, state, local or other regulatory authority by reason of the interests of Lessor in the Items of Equipment created pursuant to the Operative Documents, or the leasing thereof to Lessee.

ARTICLE 7.

REPLACEMENT, ALTERATIONS AND MODIFICATIONS

SECTION 7.1. **Replacement Parts.** Without in any way limiting Lessee's obligations pursuant to Article 6, Lessee, at no cost and expense to Lessor, shall promptly replace all parts of any Items of Equipment necessary for its use by Lessee which are lost, stolen, destroyed, seized, confiscated, worn out, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever. In addition, Lessee may, at no cost and expense to Lessor, replace in the ordinary course of maintenance, service, repair, overhaul or testing, any parts of an Item of Equipment, whether or not worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use (all replacement parts being hereinafter referred to as "Replacement Parts"); **provided**, that Lessee shall at no cost and expense to Lessor replace such replaced parts which Lessee is not otherwise permitted to remove under the terms of this Lease. All Replacement Parts shall be free and clear of all Liens (other than Permissible Liens). Lessor shall retain title to all replaced parts until such time as such replaced parts shall be replaced by Replacement Parts, at which time (i) title to the replaced part shall thereupon automatically vest in Lessee free and clear of all rights of Lessor, and shall no longer be subject to this Lease; (ii) title to such Replacement Part shall thereupon vest in Lessor; and (iii) such Replacement Part shall become subject to this Lease and be deemed part of the Equipment for all purposes hereof.

SECTION 7.2. **Modifications.** Subject to Article 6 and Sections 7.1 and 7.4, Lessee, at no expense to Lessor, may from time to time make such alterations and modifications to an Item of Equipment as Lessee may deem desirable in the proper conduct of its business, including, without limitation, removal of parts which Lessee deems obsolete or no longer suitable or appropriate for use in an Item of Equipment.

SECTION 7.3. **Improvements.** Subject to Section 7.1, Lessee may, without the prior written consent of Lessor, but solely at Lessee's expense, make improvements to an Item of Equipment, provided that such Item of Equipment as so improved shall comply with Sections 6.1 and 6.3 above and Section 7.4 below.

SECTION 7.4. **Upgrading of Equipment.**

7.4.1. Any alteration, modification, improvement or upgrading of equipment on an Item of Equipment made by and paid for by Lessee at Lessee's own choice pursuant to Sections

7.2 or 7.3 above shall remain the property of Lessee provided that at redelivery to Lessor such Item of Equipment complies with the provisions of Article 11 in that original equipment or equivalent equipment is properly installed by Lessee prior to redelivery. Lessee shall not permit any alteration, modification, improvement or upgrading permitted by this Article 7 to affect, individually or collectively, the identity of any Item of Equipment or Lessor's title thereto.

7.4.2. Any and all Replacement Parts installed on and additions made to any Items of Equipment (a) which are replacements of existing parts constituting part of the Items of Equipment owned by Lessor, (b) which are not readily removable without causing material damage to such Item of Equipment, (c) the cost of which is included in Lessor's Cost (Dollars) of such Item of Equipment, (d) in the course of ordinary and proper maintenance of the Items of Equipment or (e) which are required by law or the regulations of the ICC, the United States Department of Transportation, any agency thereof, or any other applicable regulatory body, for the operation or use of such Item of Equipment, shall constitute accessions to such Item of Equipment and shall immediately, and without further act or instrument, be deemed subject to this Lease, and Lessee shall comply with all provisions of this Lease, including, without limitation, Article 24, applicable to such accessions.

SECTION 7.5. **Identification Marks.** Lessee will cause each Item of Equipment to be kept numbered with the identification number set forth in Schedule I hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Item of Equipment, in letters not less than one inch in height, the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED UNDER THE INTERSTATE COMMERCE ACT", with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect Lessor's title to and property in such Item of Equipment and the rights of the Lessor under this Lease. Lessee will not place any Item of Equipment in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof. Lessee will replace promptly any such words which may be removed, defaced, obliterated or destroyed. Lessee will not change the identification number of any Item of Equipment unless and until (a) a statement of a new number or numbers to be substituted therefor shall have been delivered to Lessor and filed, recorded and deposited by Lessee in all appropriate public offices, including the public offices where this Lease shall have been filed, recorded and deposited and (b) Lessee shall have furnished Lessor an opinion of counsel in form and substance reasonably satisfactory to Lessor to the effect that such statement has been so filed, recorded and deposited, that such filing, recordation and deposit will

protect Lessor's interests in such Items of Equipment and that no other filing, recording, deposit or giving of notice with or to any other federal, state, or local government or agency of the United States is necessary to protect the interests of Lessor in such Items of Equipment. Lessee shall not allow the name of any other Person to be placed on any Item of Equipment as a designation that might be identified as a claim of ownership or any other interest therein; **provided**, that nothing herein contained shall prohibit Lessee or its permitted sublessees from placing its customary colors and insignia on any Item of Equipment or from naming each Item of Equipment.

ARTICLE 8.

INSURANCE

SECTION 8.1. **Policies.** Lessee will, at all times prior to the return of the Equipment to Lessor, at its own expense, carry and maintain or cause to be carried and maintained (i) property insurance (such as all risk or fire and allied perils, including in each case extended coverage for machinery breakdown and natural catastrophe) with respect to the Equipment, and (ii) public liability insurance with respect to third party personal injury and property damage, in each case with such deductibles, in such amounts, against such risks and with such insurance companies of established good reputation as is carried by corporations similar to Lessee of established good reputation engaged in the transportation of chemicals, but in any event with no greater deductibles and at least comparable in amounts and against risks insured against by Guarantor and its Affiliates with respect to equipment it, or its Affiliates, owns or leases that is similar in nature to the Equipment; **provided, however,** Lessee may in any event self-insure with respect to the Equipment and third party personal injury and property damage in a manner and to the extent such self-insurance is consistent with the self-insurance practices of such other corporations and with the self-insurance practices of Guarantor or its Affiliates with respect to equipment owned or leased by Guarantor or its Affiliates that is similar in nature to the Equipment. Notwithstanding the foregoing, at any time that Guarantor's senior debt is rated below Baa3 by Moody's Investor Service, and/or BBB- by Standard & Poors, or the equivalent if not rated by Moody's or Standard & Poor's, Lessee's right to self-insure with respect to self-insurance or deductibles with respect to public liability shall be limited to an amount equal to one percent (1%) of Guarantor's tangible net worth, calculated as of the most recent quarterly financial reports. The proceeds of insurance carried pursuant to this Section 8.1 shall be payable to Lessee and Lessor as their interests may appear and as provided in Section 8.3

hereof. Any insurance carried in accordance with this Article 8 shall, to the extent commercially avaliable, (i) require thirty (30) days' prior written notice to Lessor of cancellation or material change in coverage, (ii) name Lessor as a loss payee and as an additional insured, (iii) provide that, in respect of the interest of Lessor in such policies, the insurance shall not be invalidated by any action or inaction of Lessee or any other person (other than Lessor), (iv) insure Lessor regardless of any breach or violation of any warranty, declaration or condition contained in such policies (or in the application therefor or in any other document submitted to the insurer in connection therewith) by Lessee or by any other person (other than Lessor), (v) provide that such insurance is primary without right of contribution from any other insurance which might otherwise be available to the insured party, (vi) provide that in the event of any loss payment under a policy the insurer shall waive any rights of subrogation against the insured party and shall waive any setoff or counterclaim or any other deduction whether by attachment or otherwise and (vii) include a cross-liability endorsement providing that inasmuch as the policies are written to cover more than one insured, all terms and conditions, insuring agreements and endorsements, with the exception of limits of liability, shall operate in the same manner as if there were a separate policy covering each insured. On or prior to the Delivery Date, and thereafter not less than thirty (30) days after the expiration dates of the policies required pursuant to this Article 8, Lessee shall deliver to Lessor certificates of insurance issued by the insurers thereunder or by an insurance broker authorized to bind such insurers evidencing the insurance maintained pursuant to this Article 8; **provided, however,** that if the delivery of any certificate is delayed, Lessee shall use all reasonable efforts to deliver an executed binder with respect thereto and shall deliver the formal certificate upon receipt thereof. From time to time upon the request of the Lessor, Lessee shall provide certificates of insurance evidencing that the insurance required by this Article 8 is in effect.

SECTION 8.2. **Performance by Lessor.** In the event that Lessee shall fail to maintain insurance as herein provided, Lessor may at its option, but without obligation, provide such insurance and, in such event, Lessee shall, upon demand from time to time, reimburse Lessor for the cost thereof, together with interest on such cost at the Overdue Rate computed from the date of payment of such cost to the date of reimbursement. Lessor shall give Lessee prompt written notice of any such insurance.

SECTION 8.3. **Proceeds of Insurance.** Lessee shall be entitled to receive and retain for its own account all proceeds of property insurance (except under policies

described in Section 8.4). The proceeds of any liability insurance shall be paid to Lessee and Lessor as their interests may appear. All proceeds of insurance the premiums for which were paid by Lessor shall be paid over to, or retained by, Lessor for its own account.

SECTION 8.4. **Separate Insurance.** Nothing in this Article 8 shall be construed to prohibit Lessor from insuring at its own expense any Item of Equipment or its interest therein, and any insurance so maintained shall not provide for or result in a reduction of the coverage or the amounts payable under any of the insurance required to be maintained by Lessee under this Article 8.

ARTICLE 9.

LIENS

SECTION 9.1. **Permissible Liens.** Lessee will not during the Term with respect to any Item of Equipment create, incur, assume or suffer to exist any Liens thereon or any part thereof, Lessor's title thereto or any interest of Lessee or Lessor therein (and Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge any such Lien) with the exception of the following Liens (herein referred to as "Permissible Liens"):

9.1.1. the respective rights of Lessor and Lessee as herein provided;

9.1.2. the rights created by any of the Operative Documents (including, without limitation, the respective Liens created by the Pledge Agreement and the Security Agreement);

9.1.3. Liens for Taxes either not yet due and payable or being contested by Lessee in good faith with due diligence and by appropriate proceedings (provided that pendency of such proceedings shall not involve any risk of loss of title to any Item of Equipment by Lessor);

9.1.4. undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of business of Lessee and not delinquent;

9.1.5. Lessor's Liens; and

9.1.6. the respective rights of the parties in or under any transaction permitted under Section 13.3.

SECTION 9.2. **Notice.** Lessee will promptly notify Lessor in writing of any Lien of which Lessee has knowledge,

other than a Permissible Lien, which arises at any time and will, at Lessee's expense, cause any of the same not constituting a Permissible Lien to be bonded (in an amount and by persons reasonably satisfactory to Lessor) or duly discharged, dismissed or removed as soon as possible.

SECTION 9.3. **Indemnity.** If Lessee shall fail to discharge, dismiss or remove any Lien (other than a Permissible Lien), Lessor shall be entitled to discharge the same, in which event Lessee shall indemnify Lessor, on an After-Tax Basis, on demand, for the amount paid by Lessor and all of its losses and expenses, including legal fees and expenses incurred in connection therewith.

ARTICLE 10.

LOSS; TERMINATION; PURCHASE

SECTION 10.1. **Loss.**

10.1.1. Lessee hereby assumes all risks of loss, destruction and damage to any Item of Equipment, however caused. Upon request by Lessor, Lessee will furnish to Lessor an accurate statement certified by a Responsible Officer of Lessee as of the preceding December 31 setting forth a list of Items of Equipment with respect to which loss or damage estimated to be in excess of $50,000 per Item of Equipment (other than running repairs) shall have been incurred during the 12 months ended on such December 31 (or since the date of this Lease in the case of the first such statement) and such other information regarding the condition of repair of the Equipment as the Lessor may reasonably request. Lessee agrees that if with respect to any Item of Equipment any casualty or partial destruction not constituting an Event of Loss occurs, Lessee shall, at no cost and expense to Lessor, repair such Item of Equipment to at least the same state and condition as required pursuant to Articles 6, 7 and 11 of this Lease. If an Event of Loss occurs with respect to an Item of Equipment, then on the date (the "Termination Date") occurring thirty (30) days after such Event of Loss, Lessee shall pay, or cause to be paid, to Lessor the Termination Sum in effect as of the Termination Date.

10.1.2. On the Termination Date specified in Section 10.1.1, upon receipt in full of the applicable Termination Sum and all other amounts then due and owing to Lessor hereunder, all of Lessor's right, title and interest in and to the relevant Item of Equipment shall automatically and without further act vest in Lessee or its permitted assigns and the Equipment shall be released to Lessee in accordance with the Transfer Protocol.

10.1.3. If any Requisition shall occur, or if any requisition or similar act which does not constitute a Requisition under this Lease shall occur, Lessor and Lessee shall proceed diligently and cooperate fully with each other (at Lessee's expense) in the recovery of any and all proceeds or compensation applicable thereto. Any and all net amounts realized therefrom shall be for the benefit of Lessee. All such net amounts received by Lessor shall forthwith be paid to Lessee.

10.1.4. Lessee shall bear the risk of loss and, except as provided in this Section 10.1, shall not be released from its obligations hereunder in the event of any damage to any Item of Equipment or part thereof. Upon receipt in full of the applicable Termination Sum and all other amounts then due and owing to Lessor hereunder or under any other Operative Document, the obligation to pay Basic Rent in respect of the affected Item of Equipment accruing after the Payment Date on or immediately prior to the Termination Date shall be deemed extinguished and the leasing under this Lease of the Item of Equipment having suffered an Event of Loss shall terminate.

SECTION 10.2. <u>Termination by Lessor</u>.

10.2.1. If any of the following shall occur:

(a) an Illegality (U.S.) Event of Termination;

(b) an Illegality (Third Country) Event of Termination;

(c) (1) Lessor shall be required to pay any amount under the Loan Agreement other than the stated principal of or interest on the Loan or (2) an acceleration or other required prepayment of the Loan;

(d) an Illegality (Lessor's Country) Event of Termination;

(e) increased capital or deposit requirements are imposed upon Lessor by any Swedish governmental authority which in the good faith opinion of Lessor (as set forth in an Officer's Certificate of Lessor) have a material adverse effect on Lessor; or

(f) any of the bankruptcy or insolvency events with respect to Lessor listed in Section 10.3.1(b) through (f);

then Lessor (or in the case of Section 10.2.1(c)(2), the Lender pursuant to Clause 3.8(j) of the Loan Agreement) may,

by written notice to Lessee, terminate this Lease on a Termination Date specified in such notice (which date shall not be less than 21 days from the date such notice is given); **provided, however,** that in the case of a notice relating to Section 10.2.1(c)(2), the Termination Date shall be the date on which the Loan shall be due and payable pursuant to the Loan Agreement.

10.2.2. Upon any termination pursuant to Section 10.2.1, the Lessee shall, on the Termination Date, pay or cause to be paid to the Lessor the Termination Sum in effect as of the Termination Date with respect to all Items of Equipment and all other amounts due hereunder or any other Operative Document.

10.2.3. Upon receipt of all amounts payable pursuant to Section 10.2.2, all of Lessor's right, title and interest in and to the Equipment shall automatically and without further act vest in Lessee or its permitted assigns and the Equipment shall be released to Lessee in accordance with the Transfer Protocol, and the obligation of Lessee to pay Basic Rent shall, after the Payment Date on or immediately prior to the date of payment, be deemed extinguished and the leasing under this Lease of the Equipment shall terminate.

10.2.4. Notwithstanding the foregoing, if Lessor shall be entitled to terminate this Lease as the result of an event referred to in clause (c)(1) of Section 10.2.1, (A) Lessor may instead, at its option, provide to the Lender an indemnity agreement or (B) Lessee may provide an indemnity agreement, in each case meeting the requirements of the Loan Agreement, and if such an indemnity agreement is so provided to and is accepted by the Lender, this Lease shall continue in effect.

SECTION 10.3. <u>Termination by Lessee</u>.

10.3.1. If any of the following shall occur:

(a) an Illegality (U.S.) Event of Termination;

(b) Lessor shall consent to the appointment of a custodian, receiver, trustee or liquidator (or other similar official) of itself, any Item of Equipment or of a substantial part of its property, or shall admit in writing its inability to pay its debts generally as they come due, or a court of competent jurisdiction shall determine that Lessor is generally not paying its debts as they come due, or Lessor shall make a general assignment for the benefit of creditors;

(c) Lessor shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any bankruptcy laws (as now or hereafter in effect) or an answer admitting the material allegation of a petition filed against Lessor in any such proceeding, or Lessor shall, by voluntary petition, answer or consent, seek relief under the provisions of any now existing or future bankruptcy or other similar law providing for the reorganization or winding-up of debtors, or providing for an agreement, composition, extension or adjustment with its creditors;

(d) an order, judgment or decree shall be entered in any proceeding by any court of competent jurisdiction appointing, without the consent (express or legally implied) of Lessor, a custodian, receiver, trustee or liquidator (or other similar official) of Lessor, any Item of Equipment or any substantial part of Lessor's property, or sequestering any Item of Equipment or any substantial part of the property of Lessor, and any such order, judgment or decree or appointment or sequestration shall remain in force undismissed, unstayed or unvacated for a period of 60 days after the date of entry thereof;

(e) a petition against Lessor in a proceeding under applicable bankruptcy laws or other insolvency laws, as now or hereafter in effect, shall be filed and shall not be stayed, withdrawn or dismissed within 60 days thereafter, or if, under the provisions of any law providing for reorganization or winding-up of debtors which may apply to Lessor, any court of competent jurisdiction shall assume jurisdiction, custody or control of Lessor, any Item of Equipment or any substantial part of Lessors' property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of 60 days;

(f) any additional procedure similar to those referred to in subsections (b) through (e) above, for the relief of financially distressed debtors under applicable laws is entered into by Lessor voluntarily or involuntarily and, if such procedure shall have been entered into involuntarily, shall be unstayed and remain in effect for a period of 60 consecutive days;

(g) Lessor shall fail to perform or observe its covenants set forth in Section 13.1 or 18.1.5, such failure shall continue unremedied for a period of 30 days (or such longer period as may be required for Lessor with reasonable diligence to comply with such covenant) after written notice to Lessor by Lessee and such failure shall materially and adversely affect the Lessee;

(h) any event shall have occurred that causes or, in the opinion of independent counsel selected by Lessee and reasonably acceptable to Lessor if such counsel's opinion is requested by Lessor, otherwise, in the opinion of Lessee, would cause any amount of indemnity to become payable pursuant to Section 21.1.1 or any other indemnity to become payable by Lessee with respect to withholding taxes on any payments in respect of any amount due under this Lease;

(i) an Illegality (Lessor's Country) Event of Termination, if such event shall have materially adversely affected Lessee's rights under this Lease or any other Operative Document (as defined herein or in the Loan Agreement) to which Lessor is a party and Lessor shall not have elected to terminate this Lease pursuant to Section 10.2.1; or

(j) an event described in Section 2.3 of the Security Agreement;

then Lessee may, by written notice to Lessor, terminate this Lease on a Termination Date specified in such notice (which date shall not be less than 21 days from the date such notice is given); **provided** that this Lease shall be deemed to be terminated, and the Termination Date shall be deemed to occur, automatically and without necessity for action by Lessee upon the occurrence of an event described in clause (b), (c), (d), (e) or (f) of this Section 10.3.1.

10.3.2. Upon any termination pursuant to Section 10.3.1, the Lessee shall, on the Termination Date, pay or cause to be paid to the Lessor the Termination Sum in effect as of the Termination Date with respect to all Items of Equipment and all other amounts due hereunder or any other Operative Document (including any amounts due or accrued under Section 21.1).

10.3.3. Upon receipt of all amounts payable pursuant to Section 10.3.2, all of Lessor's right, title and

interest in and to the Equipment shall automatically and without further act vest in Lessee or its permitted assigns and the Equipment shall be released to Lessee in accordance with the Transfer Protocol, and the obligation of Lessee to pay Basic Rent shall, after the Payment Date on or immediately prior to the date of payment, be deemed extinguished and the leasing under this Lease of the Equipment shall terminate.

SECTION 10.4. Voluntary Termination.

10.4.1. Lessee shall have the right to terminate this Lease with respect to all but not less than all of the Items of Equipment on any Payment Date, other than the Basic Lease Termination Date and the Extended Lease Termination Date, following the fifth anniversary of the Lease Commencement Date. Such option shall be exercised by written notice from Lessee to Lessor of Lessee's election to so terminate this Lease on a specified Termination Date, which date shall be such a Payment Date not less than 30 days after the date of such notice.

10.4.2. Upon any termination pursuant to Section 10.4.1, the Lessee shall, on the Termination Date, pay or cause to be paid to the Lessor the Termination Sum in effect as of the Termination Date with respect to all Items of Equipment and all other amounts due hereunder or any other Operative Document.

10.4.3. Upon receipt of all amounts payable pursuant to Section 10.4.2, all of Lessor's right, title and interest in and to the Equipment shall automatically and without further act vest in Lessee or its permitted assigns and the Equipment shall be released to Lessee in accordance with the Transfer Protocol, and the leasing under this Lease of the Equipment shall terminate.

SECTION 10.5. Special Termination.

10.5.1. If the Loan shall have been accelerated pursuant to Clause 5(i) of the Loan Agreement and Lessor shall have received written notice thereof from Lender, this Lease shall be terminated on a Termination Date specified in such notice (which date shall not be less than five (5) Banking Days from the date such notice is received).

10.5.2. Without in any way reducing or affecting the Lessee's obligations under Section 10.5.3, on the Termination Date specified pursuant to Section 10.5.1, all of Lessor's right, title and interest in and to the Equipment shall automatically and without further act vest in Lessee or its permitted assigns and the Equipment shall be released to Lessee in accordance with the Transfer Protocol.

10.5.3. Upon any termination pursuant to Section 10.5.1, the Lessee shall, upon demand by Lessor made at any time after Lessor's receipt of the notice referred to in Section 10.5.1, pay or cause to be paid to Lessor the Termination Sum in effect as of the Termination Date with respect to all Items of Equipment and all other amounts due hereunder or any other Operative Document; upon such payment the obligation of Lessee to pay Basic Rent shall, after the Payment Date on or immediately prior to the date of such payment, be deemed extinguished. The obligations of Lessee under this Section 10.5.3 shall survive any termination pursuant to Section 10.5.1 and any conveyance pursuant to Section 10.5.2.

ARTICLE 11.

RETURN OF EQUIPMENT

SECTION 11.1. Return.

11.1.1. Unless Lessee shall have acquired an Item of Equipment in accordance herewith or as the parties may otherwise agree, upon the expiration or sooner termination of the Term with respect to an Item of Equipment, such Item of Equipment shall be free and clear of all Liens and rights of others (except Permissible Liens referred to in Sections 9.1.3 and 9.1.4 (which Lessor in its reasonable judgment may require to be adequately bonded) and Section 9.1.5) and shall be in the condition and repair required to be maintained during the term hereof under Articles 6 and 7. Lessee will, on or prior to such termination and at Lessee's expense and risk, (a) to the extent applicable, completely sever and disconnect each Item of Equipment from Lessee's property, all without any liability of Lessor to Lessee, or to anyone claiming by through or under Lessee, for damage or loss caused by such severance and/or disconnection; (b) to the extent applicable, prepare such Item of Equipment so as to be fit for loading and interchange service; (c) subject to Section 11.1.2 hereof, deliver possession of such Item of Equipment to Lessor at an industrial plant of Lessee or any Affiliate then engaged in the production of any of the products generally transported in such Item of Equipment or any other storage tracks within a twenty-five mile radius of any industrial plant of Lessee (to the extent capacity is available), where such Items of Equipment may be stored on railroad tracks connecting with tracks of a railroad which directly or indirectly interchanges freight with not less than one Class I railroad ("Redelivery Locations"), together with plans, specifications and other warranties and documents furnished by the Manufacturer of such Item of Equipment and other documents reasonably accessible to Lessee relating to the maintenance and operation of each such Item of Equipment; and (d) restencil the Items of

Equipment at the direction of Lessor while in storage. Charges for storage at the Redelivery Locations or at "Alternative Storage Sites" as defined below shall be at Lessee's cost and expense for the first ninety (90) days and thereafter at Lessor's cost and expense, and shall be computed at the then prevailing fair market rates for such storage. Removal of Items of Equipment from storage shall be at Lessor's expense.

11.1.2. Lessee shall notify Lessor of the Redelivery Locations (which locations shall be reasonably acceptable to Lessor) not later than 120 days prior to expiration of the Basic Term or the Extended Term, if any, but in no event shall Items of Equipment to which such termination applies be delivered to more than fifteen (15) such locations. Lessee shall further notify Lessor, not less than sixty (60) days prior to the actual redelivery, of the identification numbers and Redelivery Locations of all Items of Equipment and any Items of Equipment requiring a storage facility other than at Lessee's or an Affiliate's plant ("Alternate Storage Sites"). Lessor shall provide Lessee with written notice of Alternative Storage Sites (which may be any place in the continental United States accessible by rail and reasonably acceptable to Lessee) within sixty (60) days of receipt of Lessee's notice. The storage period shall begin, and, subject to the provisions of Section 11.1.4, Lessee's obligation for rent hereunder shall terminate, upon written notice of redelivery of 15% of all Items of Equipment (a "Block") to any Redelivery Location or Alternate Storage Site; **provided, however,** the final Block may consist of less than 15% of all Items of Equipment; **provided, further** that at Lessor's option, Lessor may accept any additional Items of Equipment that may be delivered to a Redelivery Location or Alternative Storage Site which were not included in Lessee's notice, and if so accepted, such Items of Equipment shall be treated as if they had been included in Lessee's notice; **provided, further**, that any such notice shall not become effective earlier than ninety (90) days prior to the Basic Lease Termination Date or the Extended Lease Termination Date, if any, with respect to such Block. Upon redelivery of a Block and acceptance thereof by Lessor, Lessor shall have the right to sell such returned Items of Equipment to a third party.

11.1.3. Lessor or its representative may but shall not be required to inspect each Block within a reasonable period following notification of redelivery of such Block, and shall forthwith thereafter notify Lessee of its acceptance or exceptions to acceptance of such Items of Equipment. Lessor's acceptance of such returned Items of Equipment shall be evidenced by a written certificate of acceptance specifying the number of the Items of Equipment accepted by Lessor. Upon written request of Lessor, Lessee shall have a representative available to assist in such inspections. Lessee will

thereafter make necessary repairs, notifying Lessor upon completion, whereupon Lessor will reinspect such Items of Equipment within a reasonable period following such notice. The process will be repeated until all Items of Equipment which Lessor has inspected have been accepted. Lessee shall have no further obligation with respect to any Item of Equipment which Lessor shall have accepted.

11.1.4. Supplemental Rent in an amount equal to the daily equivalent of the Basic Rent will be assessed for Items of Equipment not redelivered as and when required by Section 11.1.1 hereof for each day such Items of Equipment are not so redelivered until the requirements of Section 11.1.1 hereof have been met with respect to such Item of Equipment. Supplemental Rent for such Item of Equipment not redelivered as and when required by Section 11.1.1 hereof shall continue through the date of redelivery of a Block as stated in Lessee's notice of redelivery pursuant to Section 11.1.2 hereof unless such Item of Equipment is not accepted by Lessor at redelivery in which event Supplemental Rent shall continue until such Item of Equipment is accepted by Lessor as evidenced by Lessor's certificate of acceptance. Such Supplemental Rent shall be paid by Lessee within fifteen (15) Banking Days of receipt of Lessor's certificate of acceptance.

11.1.5. In the event that fewer than 90 percent of all Items of Equipment are not redelivered as of ninety (90) days following the applicable expiration date, Supplemental Rent for all the Items of Equipment not then redelivered as and when required by Section 11.1.1 hereof will be increased to 125 percent of the daily equivalent of the Basic Rent. If any Item of Equipment is not returned within 180 days of the Basic Lease Termination Date or the Extended Lease Termination Date, if any, Lessee shall pay the greater of the then Fair Market Value of such Item of Equipment or the Termination Sum applicable on such Basic Lease Termination Date or Extended Lease Termination Date, if any.

SECTION 11.2. Costs. All costs (other than Taxes, the payment of which is covered exclusively by Article 21) in connection with the return of an Item of Equipment shall be paid by Lessee.

ARTICLE 12.

EVENTS OF DEFAULT AND REMEDIES

SECTION 12.1. Events of Default. Any of the following events shall constitute an event of default (each an "Event of Default") whether any such event shall be voluntary or involuntary or shall come about or be effected by operation of law or pursuant to or in compliance with any

judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

12.1.1. Lessor shall not have received when due any payment of Basic Rent or Termination Sum (whether or not the payment of such amount is subject to designation pursuant to Section 4.5.2) and such non-receipt shall continue for six (6) Banking Days;

12.1.2. Lessee shall default in making any other payment when due of any sums payable by Lessee hereunder or under any other Operative Document and such default shall continue for thirty (30) Banking Days after receipt by Lessee of written notice of such default;

12.1.3. Lessee shall fail to carry and maintain insurance in accordance with the provisions of Article 8;

12.1.4. Lessee or the Guarantor shall fail to perform or observe any covenant (other than covenants relating to matters covered by Sections 12.1.1, 12.1.2 and 12.1.3 above), condition or agreement to be performed or observed by it hereunder or under any other Operative Document to which it is a party, and such failure shall continue unremedied for a period of 30 days (or, in the case of any covenant under this Lease pertaining to the maintenance or modification of the Items of Equipment, if in any instance such covenant cannot with reasonable diligence on the part of Lessee be complied with during a period of 30 days by reason of an addition of or amendment to maintenance guidance or requirements from a Manufacturer, or any regulatory body, for such period not in excess of 60 days as may be required in order for Lessee, with reasonable diligence to comply with such covenant but in no event shall such period extend beyond the term of this Lease) after written notice thereof to Lessee or the Guarantor by Lessor;

12.1.5. Lessee or Guarantor shall consent to the appointment of a custodian, receiver, trustee or liquidator (or other similar official) of itself, any Item of Equipment or of a substantial part of its property, or shall admit in writing its inability to pay its debts generally as they come due, or a court of competent jurisdiction shall determine that Lessee or Guarantor is generally not paying its debts as they come due, or Lessee or Guarantor shall make a general assignment for the benefit of creditors;

12.1.6. Lessee or Guarantor shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any bankruptcy laws (as now or hereafter in effect) or an answer admitting the material allegation of a petition filed against Lessee or Guarantor in any such proceeding, or Lessee or Guarantor

shall, by voluntary petition, answer or consent, seek relief under the provisions of any now existing or future bankruptcy or other similar law providing for the reorganization or winding-up of debtors, or providing for an agreement, composition, extension or adjustment with its creditors;

12.1.7. an order, judgment or decree shall be entered in any proceeding by any court of competent jurisdiction appointing, without the consent (express or legally implied) of Lessee or Guarantor, a custodian, receiver, trustee or liquidator (or other similar official) of Lessee or Guarantor, any Item of Equipment or any substantial part of its property, or sequestering any Item of Equipment or any substantial part of the property of Lessee or Guarantor, and any such order, judgment or decree or appointment or sequestration shall remain in force undismissed, unstayed or unvacated for a period of 60 days after the date of entry thereof;

12.1.8. a petition against Lessee or Guarantor in a proceeding under applicable bankruptcy laws or other insolvency laws, as now or hereafter in effect, shall be filed and shall not be stayed, withdrawn or dismissed within 60 days thereafter, or if, under the provisions of any law providing for reorganization or winding-up of debtors which may apply to Lessee or Guarantor, any court of competent jurisdiction shall assume jurisdiction, custody or control of Lessee or Guarantor, any Item of Equipment or any substantial part of Lessee's or Guarantor's property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of 60 days;

12.1.9. any additional procedure similar to those referred to in Sections 12.1.5 through 12.1.8 above, for the relief of financially distressed debtors under applicable laws is entered into by Lessee or Guarantor voluntarily or involuntarily and, if such procedure shall have been entered into involuntarily, shall be unstayed and remain in effect for a period of 60 consecutive days;

12.1.10. any representation or warranty made by Lessee or Guarantor herein or in any other Operative Document to which it is a party or made by Lessee or Guarantor in any certificate or other document delivered or caused to be delivered by Lessee in connection herewith or therewith shall prove at any time to have been inaccurate in any material respect when made;

12.1.11. any consent, authorization, license or approval of or registration with or declaration to any government entity required to be acquired by Lessee to authorize the performance by Lessee of its obligations under this Lease or any other Operative Document, or required by

Lessee in connection with the execution, delivery, validity, enforceability or admissibility in evidence of this Lease or any other Operative Document, is modified in a manner unacceptable to Lessor, in its reasonable judgment, or is not granted, or is revoked, or terminated, or expires, or is not renewed or extended, or otherwise ceases to be in full force and effect, and in Lessor's reasonable judgment Lessee's ability to perform its obligations hereunder or under any of the Operative Documents shall be materially adversely affected, or if there is any revocation, suspension or non-renewal of any authorization license or consent necessary for the operation of the business of the Lessee; or

12.1.12. the Guaranty shall cease to be in full force and effect, or valid and binding on and enforceable against the Guarantor.

SECTION 12.2. <u>Termination upon Event of Default</u>.

12.2.1. Lessee agrees that it will, promptly upon a Responsible Officer of Lessee becoming aware of any event or condition which constitutes a Default or Event of Default, furnish Lessor with a written notice specifying such event or condition, the nature and status thereof and the action taken or proposed to be taken by Lessee in respect thereof.

12.2.2. Upon the occurrence of an Event of Default, Lessor shall have the right to terminate the leasing under this Lease of the Equipment without having to resort to any legal procedure whatsoever and without prejudice to any other remedies available to Lessor by giving Lessee prior written notice of termination on a date specified in such notice (which date shall not be less than 21 days from the date such notice is given); **provided, however**, that this Lease shall be deemed to have been declared in default and the leasing hereunder of the Equipment shall be terminated pursuant to this Article 12 automatically and without necessity for action by Lessor upon the occurrence of any Event of Default specified in Sections 12.1.1 or 12.1.5 through 12.1.9.

12.2.3. Upon any termination pursuant to Section 12.2.2, Lessee shall pay, or cause to be paid, to Lessor as liquidated damages on the earlier to occur of (i) five (5) Banking Days after termination pursuant to the proviso to Section 12.2.2 or (ii) the date specified in any notice given pursuant to Section 12.2.2 (in either case, the "<u>Default Termination Date</u>") an amount in immediately available funds equal to the Termination Sum in effect for such Default Termination Date (determined on the basis that the Default Termination Date is a Termination Date) with respect to all Items of Equipment then subject to this Lease, together with all other amounts then due hereunder or under any other

Operative Document. Upon receipt of all amounts payable pursuant to the preceding sentence, all of Lessor's right, title and interest in and to such Items of Equipment shall automatically and without further act vest in Lessee or its permitted assigns and such Items of Equipment shall be released to Lessee in accordance with the Transfer Protocol and the obligation of Lessee to pay Basic Rent in respect of such Items of Equipment accruing after the Payment Date on or immediately prior to the Default Termination Date shall be deemed extinguished and the leasing under this Lease of the Items of Equipment shall terminate.

SECTION 12.3. Lessor Right to Perform. If Lessee fails duly and promptly to perform any of its obligations under this Lease or fails to comply with any of the covenants or agreements contained herein and continues to do so after receipt of written notice from Lessor, Lessor may itself perform such obligation or comply with such covenants or agreements, for the account of Lessee without thereby waiving any default, and any amount paid or expense (including, without limitation, attorneys' fees and expenses) reasonably incurred by Lessor in connection with such performance or compliance shall be indemnified on an After-Tax Basis by Lessee and payable on demand.

SECTION 12.4. Remedies Cumulative.

12.4.1. The remedies provided in this Article 12 in favor of Lessor shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity, provided that, except in the case of the gross negligence or willful misconduct of Lessee, Lessor agrees that receipt of the Termination Sum as provided herein shall be sufficient monetary compensation in respect of the events or circumstances with respect to which the Termination Sum is payable hereunder. Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is effective under applicable law. Except to the extent Section 4.5.2 may be applicable, Lessee hereby waives any and all existing or future claims to any offset against any payments of Basic Rent or Termination Sum due hereunder, and agrees to make such payments regardless of any offset or claim which may be asserted by Lessee or on its behalf.

12.4.2. Except as otherwise provided in this Lease, Lessee, to the full extent effective under applicable law, hereby waives all statutory or other legal requirements for any notice of any kind, and any other requirements with

respect to the enforcement of Lessor's rights under this Lease.

SECTION 12.5. **No Waiver.** The failure of Lessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies, or upon the occurrence of any similar contingencies.

SECTION 12.6. **Costs and Expenses.** If an Event of Default has occurred and Lessor has exercised remedies with respect thereto, Lessee shall be liable for all costs and expenses incurred by Lessor and any assignee thereof by reason of such exercise of remedies.

ARTICLE 13.

ASSIGNMENT

SECTION 13.1. **Assignment by Lessor.** Lessor agrees that it shall, during the Term of this Lease, (i) remain a finance company ("finansbolag") under the laws of the Kingdom of Sweden, as currently in effect (a "Finance Company"), so long as being a Finance Company is required by Swedish law for Swedish companies engaged in leasing activities of the type represented by this Lease (the "Finance Company Requirement") or (ii) make a Disposition in accordance with this Section 13.1. Lessor may not sell, assign or transfer any or all of its right, title or interest or any of its obligations in, under and to this Lease and the Equipment (a "Disposition") without the prior written consent of Lessee, which consent shall not be unreasonably withheld, except that Lessor may, without such consent, sell, assign or transfer all of its right, title or interest in, under and to this Lease, the Equipment and the other Operative Documents (as defined herein and in the Loan Agreement) to which Lessor is a party to (i) a solvent company organized under the laws of the Kingdom of Sweden that is a Finance Company (if at the time of such Disposition the Finance Company Requirement is applicable) and that is a member of a consolidated group of companies having a net worth (equity plus untaxed reserves) of at least $50,000,000, a member of which consolidated group is a company listed on the Stockholm stock exchange or (ii) a solvent Affiliate of Lessor (other than an entity incorporated in the United States or the Republic of South Africa) which, if organized under the laws of the Kingdom of Sweden, shall be a Finance Company (if at the time of such Disposition the Finance Company Requirement is applicable) **provided, however,** that any such transferee that is not an entity organized under the laws of the Kingdom of Sweden shall not be entitled to indemnity for withholding taxes pursuant to Section 21.1

hereof provided, further, that a Disposition pursuant to clause (i) or, to the extent applicable, clause (ii) of this sentence to a transferee that is not, and is not required (by reason of the inapplicability of the Finance Company Requirement at the time of such Disposition) to be, a Finance Company shall, unless such transferee has a net worth (equity plus untaxed reserves) of at least $50,000,000, require the prior written consent of Lessee, which consent shall not unreasonably be withheld, it being agreed that any withholding of such consent may relate only to the financial inability of the transferee to perform its obligations under the Operative Documents. Upon any such Disposition, such transferee (A) shall specifically assume in writing all of the obligations of Lessor hereunder and under the other Operative Documents from and after the effective date of the Disposition to the extent of the interest disposed (and in such event Lessee hereby agrees that Lessor shall thereupon be relieved of its obligations hereunder from and after such effective date of the Disposition to the extent of the interest disposed except for defaults by Lessor and other matters occurring prior to the effective date of the Disposition), (B) shall give to Lessee such representations and warranties similar to those of Lessor contained in the Operative Documents to which Lessor and Lessee are parties as Lessee reasonably shall require, (C) shall, if the Finance Company Requirement is applicable to such transferee at the time of such Disposition, make the covenant made by Lessor in the first sentence of this Section 13.1, (D) if such transferee is an Affiliate of the Lessor that is not organized under the laws of the Kingdom of Sweden, shall (i) remain such an Affiliate during the Term of this Lease or (ii) make a Disposition in accordance with this Section 13.1 and (E) shall deliver to Lessee an executed power of attorney in the form of Exhibit I to the Security Agreement. Any Disposition shall be subject and subordinate to Lessee's rights under this Lease and the other Operative Documents and such Disposition shall not interfere with Lessee's right to quiet and peaceful possession of the Equipment pursuant to this Lease as provided in Section 23.10. The interest of Lessor under this Lease will be transferable only by the recording of the name of the transferee in a document maintained by the Lessee for that purpose. The Lessee agrees to maintain such a document for such purpose and to so record any Disposition permitted by this Section 13.1.

SECTION 13.2. Assignment by Lessee. Lessee shall not sell, assign or transfer any of its rights or obligations in, under and to this Lease or the Equipment except in compliance with the provisions of Section 13.3 or with the prior written consent of Lessor.

SECTION 13.3. Assignment of Rights. With prior written notice to Lessor, Lessee may assign to any Person all but not less than all of its rights (without any assumption

of duties) under this Lease, including without limitation the right to assign warranties under Section 3.2, provided that no such assignment shall release Lessee from any of its obligations hereunder or Guarantor from any of its obligations under the Guaranty. Upon request of Lessee, Lessor will acknowledge in writing its receipt of any such notice. Nothing in this Lease shall be construed to affect any agreements (with respect to further assignment or otherwise) made between Lessee and any assignee under such an assignment with respect to such assigned rights.

ARTICLE 14.

INSPECTION

At any time during the Term, Lessor, or any agent of Lessor, shall have the right, at its own risk and expense (except as set forth below), to inspect any Item of Equipment and inspect (and make copies of) Lessee's records with respect thereto at such reasonable times, and without undue interference with Lessee's operations, as Lessor or such agent may request during the Term (and in any event while the Items of Equipment are being collected for return to Lessor), but Lessor or such agent shall have no obligation to do so, and shall incur no liability for failure to do so. During the continuance of a Default or an Event of Default, any such inspection shall be at Lessee's expense.

ARTICLE 15.

LESSEE'S OPTION TO ASSUME LOAN OBLIGATIONS

If Lessee becomes obligated to pay a Termination Sum with respect to all Items of Equipment under any provision of this Lease, Lessee shall have the option to pay the Debt Portion by assuming, subject to the limitations on recourse set forth in Clause 4.2 of the Loan Agreement, all the obligations of Lessor in respect of the principal of and interest on the Loan by execution and delivery by Lessee of an assumption agreement substantially in the form of Exhibit D; **provided, however**, that no such assumption shall constitute payment of the Debt Portion of such Termination Sum unless and until Lessor shall have been fully released by Lender from all Lessor's obligations in respect of the principal of and interest on the Loan.

ARTICLE 16.

CONDITIONS PRECEDENT TO ACCEPTANCE OF THE EQUIPMENT UNDER THIS LEASE

SECTION 16.1. **Conditions Precedent to Obligations of Lessor.** The obligations of Lessor hereunder to consummate the transactions contemplated by the Operative Documents on the Delivery Date shall be subject to the fulfillment to the satisfaction of, or waiver by, Lessor on the Delivery Date of the following conditions precedent, each of which conditions shall be deemed to have been fully satisfied or waived upon the consummation on the Delivery Date of such transactions:

16.1.1. the Delivery Date shall occur not later than December 29, 1989;

16.1.2. Lessee shall have executed and delivered to Lessor a Certificate of Acceptance covering each Item of Equipment;

16.1.3. no change shall have occurred after the date of the execution and delivery of this Lease in applicable law or regulations thereunder or interpretations thereof by appropriate regulatory authorities that, in the opinion of Lessor or its counsel, would make it illegal for Lessor to enter into any transaction contemplated by the relevant Operative Documents;

16.1.4. all approvals and consents of any trustees or holders of any indebtedness or obligations of the Lessee or the Guarantor, which in the reasonable opinion of Lessor are required in connection with any transactions contemplated by this Lease, shall have been duly obtained and be in full force and effect.

16.1.5. Lessor shall have received good title to the Equipment free and clear of all Liens other than Liens of the type set forth in Section 9.1.1 or 9.1.2, such title to be evidenced by a bill of sale to Lessor from the Manufacturer as provided in the Purchase Documents Assignment;

16.1.6. no Default or Event of Default shall have occurred and be continuing, and with respect to such Item of Equipment no Event of Loss or Event of Termination or any circumstance which with the passage of time or giving of notice or both would become an Event of Loss or Event of Termination shall have occurred;

16.1.7. each of the Operative Documents shall have been duly authorized, executed and delivered by the respective party or parties thereto (other than Lessor), shall each be reasonably satisfactory in form and substance to Lessor and

shall each be in full force and effect, and executed counterparts of each thereof shall have been delivered to Lessor or its counsel on or prior to the Delivery Date;

16.1.8. the representations and warranties of Lessee contained in Article 17, and of the Guarantor in the Guaranty, shall be true and correct in all material respects on and as of the Delivery Date as though made on and as of such date;

16.1.9. there shall have been filed in the appropriate state and local governmental office or offices notice of the leasing of the Equipment hereunder (including, without limitation, the filing of the Lease and the Certificate of Acceptance with the ICC pursuant to Section 11303 of the Act and the filing of a precautionary UCC-1 filing with the Secretary of State of the State of New York and any additional UCC financing statements deemed advisable by Lessor to be executed and delivered by Lessee and duly filed);

16.1.10. Lessor shall have received the following, in each case in form and substance reasonably satisfactory to it:

(A) a copy of the Certificate of Incorporation and By-Laws of Lessee and of the Guarantor and a copy of the resolutions of the board of directors of Lessee and of the Guarantor, certified by the Secretary or an Assistant Secretary of Lessee, and by the Secretary or an Assistant Secretary of the Guarantor, respectively, duly authorizing the lease by the Lessee of the Equipment under the Lease and the execution, delivery and performance (1) by the Lessee of the Operative Documents to which it is or will be a party and each other document required to be executed and delivered by the Lessee on the Delivery Date in accordance with the provisions hereof and thereof and (2) by the Guarantor of the Guaranty;

(B) a certificate of the Lessee as to the Person or Persons authorized to execute and deliver this Lease, the Certificate of Acceptance and any other documents to be executed on behalf of the Lessee in connection with the transactions contemplated hereby and as to the signature of such Person or Persons; and

(C) such other documents, opinions, certificates and evidence with respect to the Lessee or any Guarantor as Lessor, or its counsel, may reasonably request in order to establish the authority of such parties to consummate the transactions contemplated by this Lease and the taking of all corporate proceedings in connection therewith;

16.1.11. Lessor shall have received (i) an opinion of counsel to the Lessee and the Guarantor in form and substance reasonably satisfactory to Lessor and its counsel, (ii) an opinion of Bohlins Revisionsbyra AB in form and substance satisfactory to Lessor and its counsel, (iii) pursuant to Section 8.1, certificates of insurance in form and substance reasonably satisfactory to Lessor, as to the due compliance with the terms of Article 8 relating to insurance with respect to the Equipment, (iv) the approval of the transactions contemplated hereby by its Board of Directors and (v) the approval of the transactions contemplated hereby by the Central Bank of Sweden, if required;

16.1.12. Lessor shall have received (i) a certificate signed by a duly authorized representative of the Lessee, dated the Delivery Date, addressed to Lessor and certifying as to the matters stated in 16.1.8 hereof and (ii) a certificate signed by a duly authorized representative of the Guarantor, dated the Delivery Date, addressed to the Lessor and certifying as to the accuracy of the representations and warranties made by the Guarantor in the Guaranty;

16.1.13. all taxes, if any, payable in connection with the execution, delivery, recording and filing of all financing statements and the documents and instruments referred to herein or in connection with the making by Lessor of its equity investment, shall have been duly paid in full or otherwise provided for. All sales taxes and duties, other than Swedish Taxes, related to the consummation of the transactions contemplated by the Operative Documents shall have been duly paid in full or otherwise provided for;

16.1.14. Lessor shall have received an opinion of Frederik-Jan Umbgrove, Esq., counsel to the Lender, in form and substance reasonably satisfactory to Lessor and its counsel;

16.1.15. Lessor shall have received funds under the Loan Agreement in an amount equal to the Debt Participation Percentage of the Lessor's Cost (Sterling) of each Item of Equipment;

16.1.16. all actions required to have been taken on or prior to the Delivery Date in connection with the transactions contemplated by this Lease shall have been taken by any governmental or political agency, subdivision or instrumentality of the United States, Sweden or the Netherlands, as the case may be, and all orders, permits, waivers, exemptions, authorizations and approvals of such entities required to be in effect on the Delivery Date in connection with the transactions contemplated by this Lease

shall have been issued, and all such orders, permits, waivers, exemptions, authorizations, and approvals shall be in full force and effect, on the Delivery Date;

16.1.17. no action or proceeding shall have been instituted nor shall governmental action be threatened before any court or governmental agency, nor shall any order, judgment or decree have been issued by any court or governmental agency at the time of the Delivery Date, to set aside, restrain, enjoin or prevent the completion and consummation of this Lease or the transactions contemplated hereby;

16.1.18. on or prior to the Delivery Date, there shall have been no Event and no proposed or enacted changes in Swedish or United States tax laws or regulations, or in the interpretation or application thereof, which in Lessor's reasonable judgment materially adversely affects the benefits to Lessor of the transactions contemplated hereby; and

16.1.19. on the Delivery Date, the Guaranty shall have been duly authorized, executed and delivered by the Guarantor and shall be in full force and effect.

SECTION 16.2. <u>Conditions Precedent to Obligations of Lessee</u>. The obligations of Lessee hereunder to consummate the transactions contemplated by the Operative Documents on the Delivery Date shall be subject to the fulfillment to the satisfaction of, or waiver by, Lessee on the Delivery Date of the following conditions precedent, each of which conditions shall be deemed to have been fully satisfied or waived upon the consummation on the Delivery Date of such transactions:

16.2.1. no change shall have occurred after the date of the execution and delivery of this Lease in applicable law or regulations thereunder or interpretations thereof by appropriate regulatory authorities that, in the opinion of Lessee or its counsel, would make it illegal for Lessee to enter into any transaction contemplated by the relevant Operative Documents;

16.2.2. on the Delivery Date, no Default or Event of Default shall have occurred and be continuing, and with respect to such Item of Equipment no Event of Loss or Event of Termination or any circumstance which with the passage of time or serving of notice or both would become an Event of Loss or Event of Termination shall have occurred;

16.2.3. each of the Operative Documents shall have been duly authorized, executed and delivered by the respective party or parties thereto (other than Lessee), shall each be reasonably satisfactory in form and substance to Lessee and shall each be in full force and effect, and executed

counterparts of each thereof shall have been delivered to Lessee or its counsel on or prior to the Delivery Date;

16.2.4. the representations and warranties of Lessor contained in Article 18 shall be true and correct in all material respects on and as of the Delivery Date as though made on and as of such date;

16.2.5. Lessee shall have received the following, in each case in form and substance reasonably satisfactory to it:

(A) an Officer's Certificate of Lessor as to Lessor's charter documents and its authorization of the leasing by the Lessor of such Items of Equipment under the Lease and the execution, delivery and performance by the Lessor of the Operative Documents for such Items of Equipment to which it is or will be a party;

(B) an Officer's Certificate of the Lessor as to the Person or Persons authorized to execute and deliver this Lease and any other documents to be executed on behalf of the Lessor in connection with the transactions contemplated hereby and as to the signature of such Person or Persons; and

(C) such other documents, opinions, certificates and evidence with respect to the Lessor as Lessee, or its counsel, may reasonably request in order to establish the authority of such parties to consummate the transactions contemplated by this Lease and the taking of all corporate proceedings in connection therewith;

16.2.6. Lessee shall have received (i) an opinion of Johnsson & Johnson Advokatbyra, counsel to Lessor, in form and substance reasonably satisfactory to Lessee and it counsel and (ii) the approval to the transactions contemplated hereby by its Board of Directors;

16.2.7. Lessee shall have received a certificate signed by a duly authorized representative of the Lessor, dated the Delivery Date, addressed to Lessee and certifying as to the matters stated in 16.2.4 hereof;

16.2.8. Lessee shall have received an opinion of Frederik-Jan Umbgrove, Esq., counsel to the Lender, in form and substance reasonably satisfactory to Lessee and its counsel;

16.2.9. all actions required to have been taken on or prior to the Delivery Date in connection with the transactions contemplated by this Lease shall have been taken

by any governmental or political agency, subdivision or instrumentality of the United States, Sweden or the Netherlands, as the case may be, and all orders, permits, waivers, exemptions, authorizations and approvals of such entities required to be in effect on the Delivery Date in connection with the transactions contemplated by this Lease shall have been issued, and all such orders, permits, waivers, exemptions, authorizations, and approvals shall be in full force and effect, on the Delivery Date; and

16.2.10. on or prior to the Delivery Date, there shall have been no Event and no proposed or enacted changes in Swedish or United States tax laws or regulations, or in the interpretation or application thereof, which in the reasonable judgment of Lessee materially adversely affects the benefits to Lessee of the transactions contemplated hereby.

ARTICLE 17.

COVENANTS, REPRESENTATIONS AND WARRANTIES OF LESSEE

SECTION 17.1. Covenants, Representations and Warranties. Lessee agrees and represents and warrants to Lessor that on the date hereof and on the Delivery Date:

17.1.1. Lessee is a corporation duly organized, validly existing and in good standing under the laws of the State of New York;

17.1.2. Lessee has the full corporate power, authority and legal right to carry on its business as currently conducted, to own or hold under lease its properties and to enter into and perform its obligations under this Lease and the other Operative Documents to which Lessee is a party;

17.1.3. the execution, delivery and performance by Lessee of this Lease and the other Operative Documents to which Lessee is a party have been duly authorized by all necessary governmental and corporate action on the part of Lessee and such documentation has been duly and validly executed and delivered by Lessee, and neither the execution, delivery and performance thereof, nor the consummation of the transactions contemplated thereby, nor compliance by Lessee with any of the terms and provisions thereof (1) require any shareholder approval of Lessee, or approval or consent of any trustee or governmental body or existing holders of any indebtedness, or obligations of Lessee which if not obtained would invalidate any purported execution, performance, consummation or compliance as aforesaid, (2) violate or contravene the provisions of, or constitute a default under or breach under, any existing law, ordinance, decree, judgment, government rule, regulation or order or any

instrument of or applicable to or binding on Lessee or (3) contravene or result in any breach of or constitute any default under, or result in the creation of a Lien (other than Permissible Liens) upon any property of Lessee under, any indenture, mortgage, contract or other agreement or instrument to which Lessee is a party or by which Lessee or its properties are bound or affected where the effect thereof would be materially and adversely to affect the ability of Lessee to perform its obligations hereunder;

17.1.4. Except for the filing of the Lease and the Certificate of Acceptance with the ICC pursuant to Section 11303 of the Act (all of which filings shall have been duly made on or prior to the Delivery Date) and the filing of other financing statements described in Section 16.1.9 (true, correct and complete copies of which financing statements shall have been delivered to the Lessor on or before the Delivery Date), no filing, recording or registration of any financing statement or other document or instrument is or will be necessary or advisable in order to perfect the rights of Lessor under the Lease;

17.1.5. Lessee has obtained to the extent required as of the Delivery Date and shall obtain and maintain all necessary governmental and other consents, licenses and permits and has taken or will take all action which may be necessary for the continued due performance of Lessee's obligations under this Lease and for the use and operation of the Equipment;

17.1.6. there are no pending or, to Lessee's knowledge, threatened actions or proceedings before any court or administrative agency in any jurisdiction which if decided against Lessee would adversely affect the ability of Lessee or the Guarantor to perform its obligations under the Operative Documents to which Lessee or the Guarantor is a party or which questions Lessee's or the Guarantor's legal capacity to execute, deliver and perform, or the binding effect or validity of, the Operative Documents to which Lessee or the Guarantor is a party;

17.1.7. each Item of Equipment will, on the Delivery Date, be covered by effective insurance policies as required by Article 8 and all premiums due on or prior to the Delivery Date in respect of such insurance policies shall have been paid in full;

17.1.8. this Lease and the other Operative Documents to which Lessee is a party have been duly executed and validly delivered by Lessee and constitute, assuming the due authorization, execution and delivery thereof by the other parties thereto, the legal, valid and binding obligations of

Lessee enforceable against Lessee in accordance with the terms hereof and thereof;

17.1.9. Lessor's title to, and interest in, each Item of Equipment is not and will not be subject or subordinate to any prior claim or Lien created by, or in favor of any creditor of, Lessee or any Affiliate of Lessee;

17.1.10. each Item of Equipment is personal property;

17.1.11. Lessee has not at any time received title to any Item of Equipment pursuant to any bill of sale or other instrument purporting to transfer such title;

17.1.12. Lessee is not an "investment company" or a company controlled by an "investment company" required to register as such under the Investment Company Act of 1940, as amended;

17.1.13. the chief executive office or chief place of business (as either of such terms is used in Article 9 of the Uniform Commercial Code) of Lessee is located at Occidental Tower, P.O. Box 809050, Dallas, Texas 75380. Lessee agrees to give Lessor at least 30 days' prior written notice of any relocation of said chief executive office or chief place of business from its present location; and

17.1.14. Lessor has been furnished with a true, correct and complete copy of each Purchase Document.

ARTICLE 18.

COVENANTS, REPRESENTATIONS AND WARRANTIES OF LESSOR

SECTION 18.1. Covenants, Representations and Warranties. Lessor agrees and represents and warrants to Lessee that:

18.1.1. Lessor is a corporation duly organized and validly existing under the laws of the Kingdom of Sweden;

18.1.2. Lessor has the full corporate power, authority and legal right to execute, deliver, perform and comply with all the terms of this Lease and the other Operative Documents to which Lessor is a party;

18.1.3. the execution, delivery and performance by Lessor of this Lease and the other Operative Documents to which Lessor is a party have been duly authorized by all necessary governmental and corporate action on the part of Lessor and such documentation has been duly and validly

executed and delivered by Lessor, and neither the execution, delivery and performance thereof, nor the consummation of the transactions contemplated thereby, nor compliance by Lessor with any of the terms and provisions thereof (1) require any shareholder approval of Lessor, or approval or consent of any trustee or governmental body or existing holders of any indebtedness, or obligations of Lessor which if not obtained would invalidate any purported execution, performance, consummation or compliance as aforesaid, (2) violate or contravene the provisions of, or constitute a default under or breach under, any existing law, ordinance, decrees, judgment, government rule, regulation or order or any instrument of or applicable to or binding on Lessor or (3) contravene or result in any breach of or constitute any default under, or result in the creation of a Lien (other than Permissible Liens) upon any property of Lessor under, any indenture, mortgage, contract or other agreement or instrument to which Lessor is a party or by which Lessor or its properties are bound or affected where the effect thereof would be materially and adversely to affect the ability of Lessor to perform its obligations hereunder;

18.1.4. this Lease and the other Operative Documents to which Lessor is a party have been duly executed and validly delivered by Lessor and constitute, assuming the due authorization, execution and delivery thereof by the other parties thereto, the legal, valid and binding obligation of Lessor enforceable against Lessor in accordance with the terms hereof and thereof; and

18.1.5. Lessor will not take any action that (i) interferes with Lessee's right of quiet enjoyment with respect to the Items of Equipment pursuant to Section 23.10 or (ii) would prevent Lessor, in connection with a conveyance pursuant to Section 10.1.2, 10.2.3, 10.3.3, 10.4.3, 10.5.2, 12.2.3 or 22.2.2, from complying with the requirements of the second parenthetical phrase of clause (ii) of the definition of Transfer Protocol.

ARTICLE 19.

CERTAIN ADDITIONAL COVENANTS

SECTION 19.1. **Information.** Upon written request of Lessor (except that a request will not be necessary if Lessee has a duty to disclose the information to Lessor pursuant to the other terms of this Lease), Lessee shall promptly furnish to Lessor such information within its knowledge or readily obtainable by it as may be required to enable Lessor timely to file any reports required by law to be filed by Lessor with any governmental authority in

connection with any of the transactions contemplated by this Lease and the other Operative Documents.

SECTION 19.2. Opinion of Counsel. If any recording, filing, rerecording or refiling of this Lease or any Lessee financing statement or other instrument to which Lessee is a party under the laws of any jurisdiction shall become necessary to be done by Lessee after the Delivery Date, Lessee will furnish Lessor with an opinion of legal counsel reasonably acceptable to Lessor to the effect that such recording, filing, rerecording or refiling has been made.

SECTION 19.3. Form 1001. So long as the current Income Tax Convention between Sweden and the United States is in effect, Lessor shall on the Delivery Date and on each third anniversary of the Delivery Date provide to Lessee an Ownership, Exemption or Reduced Rate Certificate on Form 1001 (or any successor form) issued by the United States Internal Revenue Service in the form thereof annexed as Exhibit E hereto. If the information on such Form 1001 shall change, Lessor shall so inform Lessee in writing within 60 days of such change.

SECTION 19.4. No Amendment of Operative Documents. Lessor agrees with Lessee that Lessor will not, without the prior written consent of Lessee, modify, amend, supplement, consent with respect to, or give any waiver under, the Loan Agreement, the Pledge Agreement or any other Operative Document to which Lessee is not a party.

ARTICLE 20.

INDEMNIFICATION

SECTION 20.1. General Indemnity. Whether or not any of the transactions contemplated hereby or consummated, Lessee hereby assumes liability for and agrees to defend, indemnify and hold harmless Lessor and its officers, directors, employees, servants, agents, representatives and affiliates (each an "Indemnified Person") from and against any and all claims, losses, liabilities, suits, judgments, damages, costs, fees, charges, expenses, penalties or fines of whatsoever kind and nature, including reasonable legal fees and expenses (collectively, "Losses") (regardless of when the same shall be made or incurred, whether prior to, during or after the termination of this Lease) which may result from or grow or arise in any manner out of or be attributable to (i) this Lease or any of the other Operative Documents including, without limitation, the transactions contemplated hereby and thereby or the enforcement of any of the terms hereof or thereof and (ii) the maintenance, management, control, leasing, financing, delivery, non-delivery, redelivery,

condition, ownership, use, operation, sale, return or other disposition of the Equipment, whether or not due to negligence or strict liability and whether or not the Equipment is at the time in the possession of Lessee, and whether or not such Losses arise out of or in connection with any defect or alleged defect in an Item of Equipment (and regardless of when such effect shall have been discovered) or out of the design, manufacture, testing or use thereof or out of any maintenance, service, repair or overhaul or for any other reason whatsoever (including, in each case and without limitation, latent or other defects, whether or not discoverable and any claim for patent, trademark or copyright infringement and all liabilities, obligations, losses, damages and claims in any way relating to or arising out of injury to Persons, properties or the environment or strict liability in tort or violations of any regulatory law or requirement) but excluding for purposes of this Article 20 any Tax described in Article 21. Any indemnity payment pursuant to this Article 20 shall be made on an After-Tax Basis net of any tax benefits relating to the Loss for which Lessor is being indemnified.

SECTION 20.2. Subrogation. To the extent that Lessee in fact indemnifies any Indemnified Person under this Article 20 for any Loss, Lessee shall be subrogated to such Indemnified Person's rights against third parties with respect to such Loss.

SECTION 20.3. Notice. If any claim is made against any Indemnified Person, such Indemnified Person shall, upon its receipt of written notice of such claim, give prompt written notice thereof to Lessee. No failure so to notify Lessee shall discharge, diminish or relieve Lessee from any indemnification obligation set forth in this Article 20, and no payment by Lessee to any Indemnified Person pursuant to this Article 20 shall be deemed to constitute a waiver or release of any right or remedy which Lessee may have against such Indemnified Person as a result of any failure by such Indemnified Person to give Lessee notice of such claim in the manner provided in the proceeding sentence; provided the Lessee shall have no such right or remedy unless such failure of such Indemnified Person to give notice of such claim was the primary cause of Lessee's inability to contest such claim.

SECTION 20.4. Exceptions. The indemnity in this Article 20 with regard to any particular Indemnified Person shall not extend to any Loss which (i) results from the breach by such Indemnified Person of any of its representations, warranties or covenants in this Lease or the other Operative Documents, unless such breach is the result of the failure of any other party to comply with its obligations under any Operative Document, (ii) results from the willful misconduct or gross negligence of such Indemnified Person, (iii) is attributable to the transactional costs of such Indemnified

Person incurred in consummating this transaction, (iv) so long as no Event of Default shall have occurred and be continuing, to the extent such Loss (1) results from any Disposition of the interest of Lessor in the Equipment (other than a transfer to Lessee or any successor or assign), (2) is attributable to acts or events not attributable to Lessee and which occur after the Equipment is no longer leased under the Lease and is returned to Lessor in accordance with the provisions of Section 11 of this Lease (provided that such Loss does not relate to acts or events arising or occurring prior to or coincident with such time) or (3) results from a Lien arising as a result of a claim for which such Indemnified Person is not indemnified hereunder, or (v) is to be borne by such Indemnified Person, or is not to be borne by the Lessee, pursuant to the express provisions of this Lease.

ARTICLE 21.

TAX INDEMNITY

SECTION 21.1. **Withholding Taxes**. Lessee agrees that each payment hereunder and each payment of Basic Rent and each other payment to be made by or on behalf of Lessee, as the case may be, to Lessor (which term shall, for purposes of this Article 21, include any Affiliate of Lessor and the successors, assigns, agents and servants of Lessor and its Affiliates, in their respective capacities) under any of the Operative Documents shall be free of all withholdings imposed by any jurisdiction other than the Kingdom of Sweden of any nature whatsoever, and if any such withholding is required, Lessee shall pay an additional amount on an After-Tax Basis, such that after the deduction of all amounts required to be withheld, the net amount of Basic Rent or such other payment actually received by Lessor will equal the amount of Basic Rent or any such other amount that would be due absent such withholding; **provided, however**, that if Lessor can claim exemption from any such withholding without any risk of an increase in its aggregate Taxes (such risk to be determined solely by Lessor) and if upon reasonable request by Lessee, Lessor fails to furnish the representations, forms, and other documentation necessary to claim exemption, then Lessee shall not be required to pay such additional amounts. If, pursuant to the preceding sentence, Lessee or any other Person has withheld any amount from any payment in respect of any withholding tax with respect to a Tax (as hereinafter defined) not indemnifiable by Lessee pursuant to this Article 21, Lessee shall notify Lessor of the amount of such withholding and provide to Lessor the original or a certified copy of a receipt or other documentation reasonably acceptable to Lessor evidencing payment of the withheld amount. Upon receipt by Lessor of the notice and receipt or other documentary evidence

of payment described in the preceding sentence, Lessor shall promptly repay to Lessee the amount withheld.

SECTION 21.2. Indemnity. Except as provided in Section 21.3 below, Lessee shall pay, and hereby indemnifies Lessor against, and agrees to protect, save and keep harmless Lessor, on an After-Tax Basis, from any and all fees (including, without limitation, license, filing, recording, documentation and registration fees), taxes (including, without limitation, tax in respect of added value and any franchise, transfer, sales, use, business, occupation, excise, personal property, real property, income, gross receipts or stamp tax), levies, imposts, duties or governmental charges, assessments or withholdings of any nature whatsoever, together with any and all penalties, fines, other additions to tax and interest thereon (collectively, "Taxes", and each, a "Tax") imposed upon or payable by Lessor, either directly or through an indemnity, by any taxing authority or political subdivision of or in the Kingdom of Sweden, the United States, or any other country or by any territory or possession of the United States or any other country or any international authority (hereinafter, a "Taxing Authority") (i) upon or with respect to the Equipment or any Item or part thereof or interest therein or the applicability of the Lease to the Equipment or any Item or part thereof or interest therein, (ii) upon or with respect to the purchase, manufacture, acceptance, rejection, ownership, delivery, nondelivery, removal, redelivery, transport, location, possession, registration, performance, transportation, management, sale, control, use or operation, design, condition, testing, assembly, insuring, financing, presence, repossession, return, abandonment, preparation, installation, storage, leasing, subleasing, maintenance, repair, service, modification, overhaul, replacement, alteration, rebuilding, importation, transfer of title, exportation or other application or disposition of the Equipment or any Item or part thereof or interest therein, (iii) upon or with respect to the rentals, receipts or earnings arising from the Equipment or any Item or part thereof or interest therein, (iv) upon or with respect to the Lease or any of the other Operative Documents or any payment made pursuant to any such Documents or (v) otherwise with respect to or in connection with the transactions contemplated by the Operative Documents.

SECTION 21.3. Exclusions. The following Taxes shall not be indemnifiable by Lessee pursuant to this Article 21 (however, such Taxes shall be taken into account in calculating the amount of a payment made on an After-Tax Basis):

(1) Taxes imposed by the Kingdom of Sweden or any political subdivision or Taxing Authority of a political subdivision thereof ("Swedish Taxes");

(2) Taxes imposed by the country in which Lessor's principal place of business is located or any political subdivision or Taxing Authority of a political subdivision of such country;

(3) U.S. withholding taxes which would not have been imposed if (A)(i) Lessor were a "corporation" of Sweden and an "enterprise" of Sweden, and (ii) Lessor did not have and was not deemed to have a "permanent establishment" in the United States to which the profits in respect of the Operative Documents were allocable, as such terms are defined in the Income Tax Convention between Sweden and the U.S., as currently in effect, or if (B)(i) neither Lessor nor any other member of the ABB-Group, nor any consolidated or combined group of which Lessor or any other member of the ABB-Group is or may become a member, owned ten percent or more of the total combined voting power of all classes of stock of Lessee entitled to vote, and (ii) Lessor were a Finance Company; **provided**, that for purposes of this clause (3), there shall not be taken into account (x) any office or other place of business of the Lessee or any Affiliate thereof, (y) the execution and delivery of the Operative Documents, or (z) the performance of the Operative Documents in accordance with their terms;

(4) U.S. federal income taxes which would not have been imposed if (i) the income or the earnings and profits from the transactions contemplated by the Operative Documents were not treated as "effectively connected with the conduct of a trade or business [of the Lessor] within the United States", within the meaning of sections 882 and 884 of the United States Internal Revenue Code of 1986, as currently in effect, and (ii) the Lessor did not have and was not deemed to have a "permanent establishment" in the United States in respect of the transactions contemplated by the Operative Documents, as such term is defined in clause (3) hereof **provided,** that (x) any office or other place of business of the Lessee or any Affiliate thereof, (y) the execution and delivery of the Operative Documents, and (z) the performance of the Operative Documents in accordance with their terms shall be disregarded in determining whether the Lessor is engaged in a trade or business within the United States or has a permanent establishment within the United States;

(5) Taxes (other than U.S. withholding taxes, and U.S. federal income taxes) that would not have been

imposed had the only transactions entered into by the Lessor been the transactions contemplated by the Operative Documents; **provided, however,** that to the extent that such Taxes are greater than they otherwise would have been due to an Item of Equipment being moved to a jurisdiction other than the United States, the Lessor shall be indemnified for such incremental Taxes in accordance with Section 21.2.

(6) Taxes imposed as a result of a sale, assignment, transfer or other disposition (whether voluntary or involuntary) by the Lessor pursuant to Article 13 of any interest in any Item of Equipment or of any interest arising out of this Lease, except for a sale, assignment, transfer or other disposition while a Default or Event of Default is continuing;

(7) Taxes imposed by any Taxing Authority with respect to any period after the Equipment (or if it is imposed with respect to an Item, after such Item) is no longer leased under the Lease other than Taxes imposed in connection with any transaction or event that is contemplated by or pursuant to the Operative Documents, as defined herein or in the Loan Agreement;

(8) Taxes imposed by any Taxing Authority which are being contested as provided in Section 21.4, but only for so long as such contest is continuing in accordance with Section 21.4 and payment is not otherwise required pursuant to this Article 21;

(9) Taxes which result from the gross negligence or willful misconduct of Lessor; or

(10) Taxes included in Lessor's Cost (Dollars).

SECTION 21.4. **Contest**. If a claim shall be made against Lessor for any Tax for which Lessee is obligated to indemnify Lessor pursuant to this Article 21, Lessor shall promptly notify Lessee in writing of such claim; **provided, however,** that the failure of the Lessor to give such notice shall not relieve the Lessee of its obligations hereunder unless such failure precludes Lessee from contesting such claim. If Lessee shall so request in writing within 30 days after receipt of such notice, such claim shall be contested. With respect to state and local taxes, Lessee shall have the option to assume responsibility for contesting the validity, applicability or amount of such Taxes in the name of Lessor or in the name of Lessee, if permissible under applicable law, but only if Lessor in good faith determines in its sole discretion that permitting Lessee to contest the claim will

not have a material adverse effect upon the ability of Lessor to contest Taxes not indemnified under Article 21, and with respect to other Taxes, Lessor has the option to permit Lessee to control the contest; otherwise, Lessor shall control such contest, and conduct it in good faith, at the expense, on an After-Tax Basis, of Lessee; **provided** that in the event of any such contest by Lessee on Lessor's behalf, Lessor shall cooperate with Lessee and shall, if so requested by Lessee, resist payment of such Taxes if lawful and practicable or by not paying the same except under protest, if protest is necessary and proper. If Lessor conducts the contest, Lessor may do so at its sole discretion, by (A) resisting payment thereof if practicable, (B) not paying the same except under protest, if protest is necessary and proper, or (C) paying the same and using reasonable efforts to obtain a refund thereof in appropriate administrative and/or judicial proceedings. If Lessor contests Taxes by making a payment thereof, Lessee shall make an interest-free advance to Lessor, on an After-Tax Basis, in the amount of such Taxes. Notwithstanding anything contained in this Article 21 to the contrary, Lessor will not be required to contest, or to continue to contest, or to assist in the contest of, the validity, applicability or amount of any Taxes (or portion thereof) (t) unless Lessor shall have received, if requested by Lessor, an opinion of independent tax counsel selected by Lessee and reasonably acceptable to Lessor, which opinion shall be furnished at Lessee's expense, on an After-Tax Basis, and to the effect that a reasonable basis exists for contesting such Tax, (u) if the amount of indemnity payments under this Article 21 would be less than $50,000, taking into account future related adjustments, (v) if Lessor waives its right to indemnity hereunder with respect to such Taxes (or such portion thereof), (w) if Lessor is unable timely and properly to contest such Taxes because of the failure of Lessee to supply Lessor with information necessary to enable Lessor timely and properly to contest such Taxes, (x) unless Lessee shall have agreed in writing to indemnify Lessor for such Taxes and for any interest, penalties or additions to tax which ultimately may be payable as the result of contesting such Taxes and currently to pay Lessor on an After-Tax Basis for all reasonable out-of-pocket costs and expenses that Lessor may incur in connection with the contesting of such claim (including, without limitation, reasonable legal and accounting fees and disbursements), (y) unless such contest will not result in any material risk of criminal penalties or material danger of sale, forfeiture or loss of the Equipment or any Item or part thereof or interest therein or the creation of any Lien thereon other than Liens for Taxes either not yet due or being contested in good faith by appropriate proceedings so long as such proceedings do not involve any material risk of criminal penalties or material danger of sale, forfeiture or loss of the Equipment or any Item or part

thereof or interest therein and (z) no Default or Event of Default has occurred and is continuing.

If Lessee shall be the party contesting a Tax on behalf of Lessor, as provided herein, Lessor shall supply Lessee with such information requested by Lessee as is reasonably available to Lessor and necessary or advisable for Lessee to control or participate in any proceeding to the extent permitted by this Article 21, and Lessee shall keep Lessor reasonably informed of the progress of such contest. If Lessor shall be the party contesting a Tax that is indemnified hereunder by Lessee, Lessee shall supply Lessor with such information requested by Lessor as may be necessary or advisable to enable Lessor to contest such claim.

So long as Lessee is in full compliance with its obligations under this Article 21, Lessor shall not make, accept or enter into a settlement or other compromise with respect to any Taxes indemnified pursuant to this Article 21, or forego or terminate any proceeding with respect to Taxes indemnified pursuant to this Article 21, without the prior written consent of Lessee, which in giving or withholding such consent shall act in good faith. In the event Lessor effects a settlement or compromise of any contest, or otherwise terminates any such contest in violation of the preceding sentence, Lessor shall re-pay to Lessee any amount theretofore paid by Lessee pursuant to the fourth sentence of this Section 21.4 in respect of such claim.

Lessee shall have the right to participate in all proceedings relating to claims pursued by Lessor in its own name which are indemnifiable by Lessee; **provided** that such participation by Lessee does not materially interfere with Lessor's control of the contest (such material interference to be determined solely by Lessor). If Lessee shall request Lessor to discontinue any proceedings or concede claims for which Lessee is required to indemnify hereunder and with respect to which Lessee has (x) complied with all of its obligations hereunder as conditions to a contest and (y) tendered to Lessor all amounts called for under this Article 21 fully to indemnify Lessor in respect thereof, the Lessor shall do so; **provided, however**, that Lessor shall not be obligated to discontinue or concede a proceeding or claim if Lessor agrees that the liability of Lessee with respect thereto shall be determined as if such proceeding or claim had been discontinued and conceded at the time Lessee shall have so directed. If, in the course of contesting a claim for Taxes, Lessee believes in good faith that the appropriate Taxing Authority might compromise a proposed adjustment, Lessee shall advise Lessor of the terms of the settlement Lessee is then willing to make, and upon receipt of such notice Lessor will explore such settlement proposal with the relevant Taxing Authority. If a settlement proposal is

acceptable to both Lessee and the Taxing Authority, Lessor shall agree to the settlement proposal; **provided, however,** that Lessor shall not be obligated formally to propose or agree to a settlement if Lessor agrees that the amount of any Taxes in respect of such proposed claim shall not exceed the amount of such Taxes which would have been required if the settlement proposal had been made and accepted.

In all events and circumstances, Lessor and Lessee shall act in good faith in conducting any contest, or in filing any return or report or claim, and shall not discriminate against any claim which is indemnifiable hereunder in favor of any non-indemnified matter, whether or not related to the transactions contemplated by the Operative Documents.

SECTION 21.5. **Reverse Indemnity.** In the event the Lessee shall make an indemnity payment under this Article 21 and the Taxes so indemnified against are available as a credit against or otherwise reduce Taxes imposed by any Taxing Authority, or which would have been imposed, which are not Taxes indemnified against under this Article 21, then to the extent such items have not previously been taken into account in computing the amount of any payment pursuant to this sentence or the amount of indemnification payable under this Article 21, the Lessor shall pay to the Lessee the amount of such reduction or credit plus the amount of any Taxes saved by the Lessor as a result of such payment. The Lessor shall use its reasonable best efforts in filing tax returns and dealing with Taxing Authorities to claim any such tax benefit. If the Lessor shall have made a payment to the Lessee pursuant to this Section 21.5 (or shall have received a reduced payment in respect of any Taxes), and shall thereafter be denied the credit (or reduction), or shall be denied the right to use tax credits from unrelated transactions, such denials or reductions shall be treated as Taxes indemnifiable hereunder. In no event shall the amount that the Lessor is obligated to pay to the Lessee pursuant to this Section 21.5 exceed the amount of the indemnity payment received by the Lessor.

SECTION 21.6. **Computations.** All computations required to be made under this Article 21 shall be made in the first instance by Lessor, acting reasonably and in good faith and the results of such computation shall be delivered to Lessee in writing. At the request of Lessee, the accuracy of such computations shall be verified by the independent accountants that regularly audit the books of Lessor. Lessor agrees to cooperate fully with said accounting firm, and shall provide it with any material such firm believes is necessary in order to ensure the accuracy of the computations. Such accounting firm shall be requested to make its determination by the date on which the payment of any such amount must be made hereunder. The computations of the accounting firm,

selected as provided above, shall be final, binding and conclusive upon Lessee and Lessor. Lessee shall pay the costs of such verification. Lessee shall have no right to examine the books and records of Lessor or to examine or otherwise have access to its income tax returns.

SECTION 21.7. Payments. Lessee shall pay any amount for which it is liable pursuant to this Article 21 directly to the appropriate Taxing Authority if legally permissible or, upon demand of Lessor, to Lessor, but in no event later than the later of (i) 10 days after the date of such demand or (ii) two days before the date the Tax to which such amount payable hereunder relates is due or is to be paid, in immediately available funds. If Lessee shall pay any amount directly to the appropriate Taxing Authority, Lessee shall promptly furnish to Lessor the original or a certified copy of a receipt for Lessee's payment of such Tax or such other evidence of payment of such Tax as is reasonably acceptable to Lessor.

ARTICLE 22.

SWEDISH TAX EVENT

SECTION 22.1. Swedish Tax Event.

22.1.1. Lessor shall have the right to notify Lessee in writing of any Swedish Tax Event within a reasonable time after obtaining actual knowledge of such Swedish Tax Event.

22.1.2. If as the result of a Swedish Tax Event, Lessor or any consolidated or combined group of which Lessor is a member does not (as determined by Lessor in its sole discretion) realize (or, in the case of Swedish Tax Event consisting of a Challenge to Swedish Deductions of the type referred to in subclause (ii) of the definition thereof, would not realize if such Challenge were successful) the net tax benefits (determined on a present value basis using the same assumptions and methodology as originally used by Lessor, except for the Swedish Tax Event in question) that it would have realized if such Swedish Tax Event had not occurred, and if Lessor has given notice of such Swedish Tax Event under Section 22.1.1, then Lessee shall be obligated, at the election of Lessee specified in a written notice given to Lessor within 30 days after receipt by Lessee of the written notice from Lessor under Section 22.1.1, either (A) to terminate this Lease as hereinafter provided or (B) to indemnify Lessor as hereinafter provided. Each written notice from Lessor under Section 22.1.1 shall be accompanied by a statement prepared by Lessor setting forth its computation of the amount of the indemnity that would be payable under

Section 22.1.4 on the basis that such indemnity is paid on the 45th day from the date on which such notice is given by Lessor.

22.1.3. If Lessee elects to terminate this Lease as permitted by Section 22.1.2(A), then Lessee shall pay, or cause to be paid, to Lessor the amount specified in Section 22.2.1 in immediately available funds not later than forty-five (45) days after receipt by Lessee of the written notice from Lessor under Section 22.1.1.

22.1.4. If Lessee elects to indemnify Lessor as permitted by Section 22.1.2(B), then Lessee shall pay to Lessor the amount specified in Section 22.3.1 in immediately available funds not later than forty-five (45) days after receipt by Lessee of the written notice from Lessor under Section 22.1.1.

SECTION 22.2. Termination.

22.2.1. Upon a termination of this Lease pursuant to Section 22.1.3, Lessee shall pay, or cause to be paid, to Lessor the Termination Sum in effect as of the Effective Date of the applicable Swedish Tax Event together with interest thereon at the Corporate Rate from the Effective Date to but excluding the date specified for payment in Section 22.1.3, and all other amounts due hereunder or any other Operative Document.

22.2.2. Upon receipt of all amounts payable pursuant to Section 22.2.1, Lessor shall convey to Lessee, or whomsoever Lessee shall have designated in writing, all of its right, title and interest in and to the Items of Equipment, such conveyance to be in accordance with the Transfer Protocol and the obligation of Lessee to pay Basic Rent in respect of the Items of Equipment shall from the Payment Date immediately prior to the date of payment, be deemed abated and the leasing under this Lease of the Items of Equipment shall terminate.

SECTION 22.3. Indemnification.

22.3.1. The amount of any indemnity payable pursuant to Section 22.1.4 with respect to a Swedish Tax Event shall be the Increased Cost (as hereinafter defined) attributable to the Swedish Tax Event in question (or, in the case of a Swedish Tax Event consisting of a Challenge to Swedish Deductions of the type referred to in subclause (ii) of the definition thereof, the Increased Cost that would be so attributable if such Challenge were successful). For purposes of this Article 22, the term "Increased Cost" shall mean that amount which, on an After-Tax Basis, has a present value equal to the differences, in respect of each calendar year during the Term of the Lease, between Lessor's Projected

Tax Consequences and Lessor's Expected Tax Consequences. "Lessor's Projected Tax Consequences" means the Swedish tax consequences to Lessor (or any consolidated or combined group of which Lessor is a member) with respect to each calendar year during the Term of the Lease that Lessor projected when it entered into the transactions contemplated by the Operative Documents. "Lessor's Expected Tax Consequences" means the Swedish tax consequences to Lessor (or any consolidated or combined group of which Lessor is a member) that Lessor reasonably expects to realize with respect to each calendar year during the Term of the Lease as a result of the Swedish Tax Event.

22.3.2. All computations of the type described in Section 22.3.1 shall be subject to the verification procedures set forth in Article 21; **provided, however**, that (A) any request for verification shall be given by Lessee along with its written election pursuant to Section 22.1.2, (B) Lessee shall, if it elects to indemnify Lessor hereunder, pay to Lessor that portion of any indemnity amount which is not in dispute and (C) in no event shall the indemnity finally payable by Lessee (apart from interest thereon) exceed the greater of (y) the amount set forth by Lessor in its notice delivered pursuant to Section 22.3.1, or (z) the amount that would have been payable by Lessee pursuant to Section 22.1.3 in the case of an election by Lessee under Section 22.1.2(A).

22.3.3. Any indemnity under Section 22.1.4 (or that portion thereof which is not in dispute) shall be payable on the 30th day from the date on which Lessor gives to Lessee the notice set forth in Section 22.1.1.

SECTION 22.4. Effective Date. The "Effective Date" of any Swedish Tax Event resulting from an amendment to the Swedish tax statutes or regulations shall be the date as of which such amendment is effective as specified therein. The "Effective Date" of any other Swedish Tax Event shall be the date on which (y) the appropriate Swedish taxing authorities formally assert in a writing to Lessor or an Affiliate of Lessor that Lessor or such Affiliate (or any consolidated or combined group of which Lessor or such Affiliate is a member) may have a deficiency in its Swedish income tax payments which deficiency is attributable to the Swedish Tax Event in question or (z) Lessor delivers to Lessee an opinion of the type referred to in subclause (iii) of the definition of the term "Challenge to Swedish Deductions".

ARTICLE 23.

MISCELLANEOUS

SECTION 23.1. Survival. The indemnities of the parties provided for herein shall survive the execution, delivery, performance and termination of this Lease and delivery of any Items of Equipment hereunder and any assumption of the Loan, and shall be and continue in effect notwithstanding the fact that any of the parties hereto may waive compliance with any provision of this Lease or any instrument contemplated hereby.

SECTION 23.2. Notices. All notices, offers, acceptances, approvals, waivers,requests, demands and other communications hereunder or under any instrument, certificate or other document delivered in connection with the transactions described herein shall be in writing, shall be addressed as provided below and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service (including, without limitation, Federal Express, ETA, Emery, Purolator, DHL, Air Borne, and other similar overnight delivery services), (c) in the event overnight delivery services are not readily available, if mailed by first class mail, postage prepaid, registered or certified with return receipt requested or (d) if sent by prepaid telegram or by telex or facsimile transmission and confirmed. Notice so given shall be effective upon receipt by the addressee; **provided, however**, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. For the purposes of notice, the addresses of the parties shall be as set forth below; **provided, however**, that any party shall have the right to change its address for notice hereunder to any other location within the continental United States, Sweden or the country where Lessor maintains its principal office by giving of thirty (30) days' notice to the other party in the manner set forth herein. The initial addresses of the parties hereto are as follows:

To Lessor: ABB Credit Finans AB
Nybrokajen 15
S-111 48 STOCKHOLM
Sweden
Attention: Vice President - Administration
Telex No.: 13391 SIRUS S
Facsimile No.: 46-8-215541

with a copy sent to:

Joseph M. Juhas, Esq.
Dewey, Ballantine, Bushby
Palmer & Wood
140 Broadway
New York, New York 10005
Tel. No.: (212) 820-1100
Telex No.: 961289
Facsimile No.: (212) 820-1487

To Lessee:

Occidental Chemical Corporation
Corporate Office
Occidental Tower
5005 LBJ Freeway
P.O. Box 809050
Dallas, Texas 75380
Attn: Debt Compliance
Tel. No.: (214) 404-3800
Facsimile No.: (214) 404-3669

with a copy sent to:

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attn: Vice President and Treasurer
Tel. No.: (213) 879-1700
Facsimile No.: (213) 824-2372

or to such other address or telex or facsimile number as shall have been notified (in accordance with this Section 24.2) to the other party hereto. In the case of notices hereunder given or made by telex the relevant giver or maker thereof shall, if reasonably requested to do so by any other party hereto, confirm the contents of such telex in a letter to be dispatched by registered mail, postage prepaid, on the same day any such request is so made.

SECTION 23.3. **Language of Documents.** All documents or notices to be delivered pursuant to or in connection with this Lease shall be in the English language or, if any such document or notice is not in the English language, it shall be accompanied by a certified English translation thereof.

SECTION 23.4. **Amendments.** No terms of this Lease may be altered, modified, amended, supplemented or terminated except by a written instrument signed by the parties hereto.

SECTION 23.5. Successors and Assigns. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

SECTION 23.6. Counterparts. This Lease may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall, subject to the legend contained on the covering page of this Lease, be an original for all purposes, but all such counterparts shall together constitute but one and the same instrument.

SECTION 23.7. Severability. If any term or provision of this Lease or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be prohibited or unenforceable, such term or such provision shall be ineffective as to such jurisdiction to the extent of such prohibition or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions of this Lease or the application of such term or provision to circumstances other than those as to which it is held prohibited or unenforceable in any jurisdiction shall not invalidate or render unenforceable such term or provision in any other jurisdiction.

SECTION 23.8. Waivers; Remedies Cumulative. No failure to exercise or enforce, and no delay in exercising or enforcing, on the part of Lessor and Lessee, any right, remedy, power or privilege hereunder and/or under any of the Operative Documents shall operate as a waiver thereof, nor shall any single or partial exercise or enforcement of any such right, remedy, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, remedy, power or privilege whether hereunder, thereunder or otherwise. The rights, remedies, powers and privileges herein and therein provided are cumulative and not exclusive (except as expressly provided herein or in any other Operative Document) of any rights, remedies, powers and privileges provided by applicable law.

SECTION 23.9. Complete Agreement. This Lease together with the other Operative Documents and any letter agreements between Lessor and Lessee dated the date hereof constitutes the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersedes any prior agreements with respect to the subject matter hereof and thereof.

SECTION 23.10. Quiet Enjoyment. Notwithstanding anything in this Lease to the contrary, Lessor covenants that, unless a Default Termination Date shall have occurred and not been waived by Lessor, Lessee may and shall, as between Lessor and Lessee, peaceably and quietly have, hold, possess, use and enjoy the Equipment as provided in this Lease without suit,

molestation or interruption by Lessor or by reason of Lessor's acts or exercise of remedies.

SECTION 23.11. Costs. Each party shall pay all costs and out-of-pocket expenses, including but not limited to legal fees and expenses, of the other party arising in connection with the enforcement and preservation by the other party of its rights under this Lease.

SECTION 23.12. Rights Cumulative, etc.

23.12.1 The rights of Lessor under this Lease are cumulative, may be exercised as often as it considers appropriate and are in addition to its rights under general law (except to the extent that recourse to rights under general law is expressly precluded by the Operative Documents). The rights of Lessor against Lessee or in relation to an Item of Equipment shall not, as against or in favor of Lessor, be capable of being waived or varied otherwise than by an express waiver or variation in writing; and in particular any failure to exercise or delay in exercising any such rights shall not operate as a waiver or variation of that or any other such right; and defective or partial exercise of any such right shall not preclude any other or further exercise of that or any other such right; and no act or course of conduct or negotiation on its part or on its behalf shall in any way preclude it from exercising any such right or constitute a suspension or any variation of any such right.

23.12.2 The rights of Lessee against Lessor or in relation to an Item of Equipment shall not, as against or in favor of Lessee, by capable of being waived or varied otherwise than by an expressed waiver or variation in writing; and in particular any failure to exercise or delay in exercising any such rights shall not operate as a wavier or variation of that or any other such right; and defective or partial exercise of any such right shall not preclude any other or further exercise of that or any other such right; and no act or course of conduct or negotiation on its part or on its behalf shall in any way preclude it from exercising any such right or constitute a suspension or any variation of any such right.

SECTION 23.13. No Partnership. Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between the Lessor and the Lessee.

SECTION 23.14. Specific Performance. The parties hereto agree that the failure of title to the Items of Equipment to vest in Lessee or its permitted assigns when provided for in this Lease cannot be compensated in damages

and, therefore, will give rise to an action for specific performance.

ARTICLE 24.

RECORDING

SECTION 24.1. **ICC; States**. Lessee, at its own expense, will cause this Lease and the Certificate of Acceptance to be filed with the ICC pursuant to Section 11303 of the Act prior to the delivery and acceptance of any Item of Equipment. Lessee, at its own expense, will further cause this Lease and/or appropriate financing statements or continuation statements to be filed and recorded and, from time to time when required, refiled and recorded, in accordance with the applicable provisions of the Uniform Commercial Code as in effect in the State of Texas (and, if Lessee changes its chief executive office to any state, in such state) and in any other state of the United States where filing is necessary to the satisfaction of counsel to Lessor.

SECTION 24.2. **Continuing Obligations**. Lessee, in addition to the requirements of Section 24.1 above, will from time to time do and perform in a timely manner any other act and will execute, acknowledge, deliver, file, register, record and deposit (and will refile, re-register, rerecord or redeposit whenever required) any and all further instruments required by law (including without limitation continuation statements) or reasonably requested by Lessor for the purpose of proper protection, to its satisfaction, of its respective interests in the Items of Equipment, or for the purpose of carrying out the intention of this Lease.

ARTICLE 25.

GOVERNING LAW AND ARBITRATION

SECTION 25.1. **Choice of Laws**. This Lease shall in all respects be governed by and construed in accordance with the laws of the Kingdom of Sweden.

SECTION 25.2. **Arbitration**. Any dispute arising in connection with this Lease shall be finally settled in accordance with the Arbitration Procedure.

ARTICLE 26.

SEVERANCE

It is the express intention of Lessor and Lessee that each Item of Equipment is severed, and shall be and remain severed, from title to any real property to which it may become affixed and would otherwise constitute a part. Lessor and Lessee intend that each Item of Equipment be and remain personal property to the maximum extent permitted by applicable law.

ARTICLE 27.

FURTHER ASSURANCES

Each of the parties hereto shall cause to be promptly and duly taken, executed, acknowledged and delivered all such further acts, documents and assurances as each such party from time to time may reasonably request in order to carry out more effectively the intent and purposes of this Lease, the other Operative Documents and the transactions contemplated hereby and thereby.

INTENDING TO BE LEGALLY BOUND, the parties hereto have caused this Lease to be duly executed on the date written above.

ABB CREDIT FINANS AB

By_____
Name: Goran Carlsson
Title: President

By_____
Name: Christer Bois
Title: Legal Counsel

OCCIDENTAL CHEMICAL CORPORATION

By_____
Name: R. B. Casriel
Title: Vice President and Treasurer

[SIGNATURE PAGE]

INTENDING TO BE LEGALLY BOUND, the parties hereto have caused this Lease to be duly executed on the date written above.

ABB CREDIT FINANS AB

By_____
Name: Goran Carlsson
Title: President

By_____
Name: Christer Bois
Title: Legal Counsel

OCCIDENTAL CHEMICAL CORPORATION

By_____
Name: R. B. Casriel
Title: Vice President and Treasurer

[SIGNATURE PAGE]

State of New York)
) ss
County of New York)

On this 15th day of December, 1989, before me personally appeared Goran Carlsson to me personally known, who being by me duly sworn, says that he is the President of ABB CREDIT FINANS AB, as Lessor under such instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

MARGARET M. CAMPBELL
Notary Public, State of New York
No. 30-0548675
Qualified in Nassau County
Commission Expires March 30, 1990

Margaret M. Campbell
Notary Public

My Commission Expires: Jan. 31, 1990

[SEAL]

State of New York)
) ss
County of New York)

On this 14th day of December, 1989, before me personally appeared Christer Bois to me personally known, who being by me duly sworn, says that he is the Legal Counsel of ABB CREDIT FINANS AB, as Lessor under such instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Anna K. Weisz
Notary Public

My Commission Expires:

ANNA K. WEISZ
Notary Public, State of New York
No 03-4211505
Qualified in Bronx County
Certificate Filed in New York
County Clerk's Office
Commission Expires November 30, 1991

[SEAL]

State of California)
) ss
County of Los Angeles)

On this 12th day of December, 1989, before me personally appeared R.B. Casriel to me personally known, who being by me duly sworn, says that he is the Vice President and Treasurer of OCCIDENTAL CHEMICAL CORPORATION, as Lessee under such instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My Commission Expires: July 16, 1993

[SEAL]

OFFICIAL SEAL
EDIE B HOFFMAN
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm expires JUL 16, 1993

Schedule I to Lease
Agreement (1989 - I)

I. Equipment Description and Specifications

A. General Purpose Tank Cars

Type:	16,000 gallon nominal capacity general purpose tank cars
Quantity:	192
Reporting Marks:	HOKX 111351 - HOKX 111542
Manufacturer:	Union Tank Car Company
AAR Mechanical Designation:	DOT 111A100W3
Specifications:	Compartments - 1 Light Weight - 59,600 lbs. Length over strikers - 39' 7-1/2" Length over truck centers - 27' 4" Height - 14' 8-11/16" Width - 10' 8" Plate Specification - ASTM A516 Gr. 70. Diameter -111" O.D. Exterior Serpentine heater coils (4 runs, 8" half oval) stub sill design, truck mounted brakes, NFL roller bearings, 36" wheels, 4" lb. density fiberglass insulation, 11 ga. steel jacket, lining optional, 100 ton ride controlled grade B trucks, Miner Crown SE draft gears, 14" UTC design center plate, double shelf couplers, high friction brake shoes.

Schedule I to
Lease Agreement
(1989-I)

II. EQUIPMENT

MANUFACTURER: UNION TANK CAR COMPANY
NUMBER AND TYPE: (192) General Purpose Tank Cars

Identification Number	Lessor's Cost (Dollars)	Identification Number	Lessor's Cost (Dollars)
HOKX 111351	$55,577.91	HOKX 111394	$55,622.91
HOKX 111352	$55,577.91	HOKX 111395	$55,622.91
HOKX 111353	$55,577.91	HOKX 111396	$55,622.91
HOKX 111354	$55,622.91	HOKX 111397	$55,622.91
HOKX 111355	$55,577.91	HOKX 111398	$55,622.91
HOKX 111356	$55,560.19	HOKX 111399	$55,622.91
HOKX 111357	$55,622.91	HOKX 111400	$55,622.91
HOKX 111358	$55,622.91	HOKX 111401	$56,107.91
HOKX 111359	$55,560.19	HOKX 111402	$56,107.91
HOKX 111360	$55,622.91	HOKX 111403	$56,107.91
HOKX 111361	$55,577.91	HOKX 111404	$56,107.91
HOKX 111362	$55,622.91	HOKX 111405	$56,107.91
HOKX 111363	$55,560.19	HOKX 111406	$56,107.91
HOKX 111364	$55,622.91	HOKX 111407	$56,469.91
HOKX 111365	$55,560.19	HOKX 111408	$55,622.91
HOKX 111366	$55,577.91	HOKX 111409	$55,622.91
HOKX 111367	$55,577.91	HOKX 111410	$55,622.91
HOKX 111368	$55,577.91	HOKX 111411	$55,622.91
HOKX 111369	$55,577.91	HOKX 111412	$55,622.91
HOKX 111370	$55,560.19	HOKX 111413	$55,622.91
HOKX 111371	$55,622.91	HOKX 111414	$55,622.91
HOKX 111372	$55,622.91	HOKX 111415	$55,622.91
HOKX 111373	$55,577.91	HOKX 111416	$55,622.91
HOKX 111374	$55,577.91	HOKX 111417	$55,622.91
HOKX 111375	$55,622.91	HOKX 111418	$55,622.91
HOKX 111376	$55,577.91	HOKX 111419	$55,622.91
HOKX 111377	$55,577.91	HOKX 111420	$55,654.91
HOKX 111378	$55,577.91	HOKX 111421	$55,622.91
HOKX 111379	$55,622.91	HOKX 111422	$55,622.91
HOKX 111380	$55,622.91	HOKX 111423	$55,622.91
HOKX 111381	$55,622.91	HOKX 111424	$55,622.91
HOKX 111382	$55,622.91	HOKX 111425	$55,622.91
HOKX 111383	$55,622.91	HOKX 111426	$55,622.91
HOKX 111384	$55,577.91	HOKX 111427	$55,622.91
HOKX 111385	$55,577.91	HOKX 111428	$52,324.91
HOKX 111386	$55,577.91	HOKX 111429	$52,324.91
HOKX 111387	$55,577.91	HOKX 111430	$55,622.91
HOKX 111388	$55,622.91	HOKX 111431	$55,622.91
HOKX 111389	$55,622.91	HOKX 111432	$55,622.91
HOKX 111390	$55,622.91	HOKX 111433	$55,622.91
HOKX 111391	$55,622.91	HOKX 111434	$55,622.91
HOKX 111392	$55,622.91	HOKX 111435	$55,622.91
HOKX 111393	$55,622.91	HOKX 111436	$55,622.91

Schedule I to
Lease Agreement
(1989-I)

EQUIPMENT

MANUFACTURER: UNION TANK CAR COMPANY
NUMBER AND TYPE: (192) General Purpose Tank Cars

Identification Number	Lessor's Cost (Dollars)	Identification Number	Lessor's Cost (Dollars)
HOKX 111437	$55,622.91	HOKX 111480	$55,622.91
HOKX 111438	$55,622.91	HOKX 111481	$55,622.91
HOKX 111439	$52,324.91	HOKX 111482	$55,622.91
HOKX 111440	$55,622.91	HOKX 111483	$55,622.91
HOKX 111441	$55,622.91	HOKX 111484	$55,622.91
HOKX 111442	$55,622.91	HOKX 111485	$55,622.91
HOKX 111443	$55,622.91	HOKX 111486	$55,622.91
HOKX 111444	$55,622.91	HOKX 111487	$55,622.91
HOKX 111445	$55,622.91	HOKX 111488	$55,622.91
HOKX 111446	$55,622.91	HOKX 111489	$55,622.91
HOKX 111447	$55,622.91	HOKX 111490	$55,622.91
HOKX 111448	$55,622.91	HOKX 111491	$55,579.91
HOKX 111449	$55,622.91	HOKX 111492	$55,579.91
HOKX 111450	$55,622.91	HOKX 111493	$55,622.91
HOKX 111451	$55,622.91	HOKX 111494	$55,622.91
HOKX 111452	$55,622.91	HOKX 111495	$55,579.91
HOKX 111453	$55,622.91	HOKX 111496	$55,622.91
HOKX 111454	$55,622.91	HOKX 111497	$55,622.91
HOKX 111455	$55,622.91	HOKX 111498	$55,622.91
HOKX 111456	$55,622.91	HOKX 111499	$55,622.91
HOKX 111457	$55,622.91	HOKX 111500	$55,622.91
HOKX 111458	$55,622.91	HOKX 111501	$55,579.91
HOKX 111459	$55,622.91	HOKX 111502	$55,622.91
HOKX 111460	$55,622.91	HOKX 111503	$55,622.91
HOKX 111461	$55,622.91	HOKX 111504	$55,622.91
HOKX 111462	$55,622.91	HOKX 111505	$55,579.91
HOKX 111463	$55,622.91	HOKX 111506	$55,579.91
HOKX 111464	$55,622.91	HOKX 111507	$55,622.91
HOKX 111465	$55,622.91	HOKX 111508	$55,579.91
HOKX 111466	$55,622.91	HOKX 111509	$55,622.91
HOKX 111467	$55,622.91	HOKX 111510	$55,622.91
HOKX 111468	$55,622.91	HOKX 111511	$55,622.91
HOKX 111469	$55,622.91	HOKX 111512	$55,622.91
HOKX 111470	$55,622.91	HOKX 111513	$55,579.91
HOKX 111471	$55,622.91	HOKX 111514	$55,622.91
HOKX 111472	$55,622.91	HOKX 111515	$55,579.91
HOKX 111473	$55,622.91	HOKX 111516	$55,622.91
HOKX 111474	$55,654.91	HOKX 111517	$55,654.91
HOKX 111475	$55,622.91	HOKX 111518	$55,622.91
HOKX 111476	$55,622.91	HOKX 111519	$55,622.91
HOKX 111477	$55,622.91	HOKX 111520	$55,622.91
HOKX 111478	$55,622.91	HOKX 111521	$55,654.91
HOKX 111479	$55,622.91	HOKX 111522	$55,654.91

Schedule I to
Lease Agreement
(1989-I)

EQUIPMENT

MANUFACTURER: UNION TANK CAR COMPANY
NUMBER AND TYPE: (192) General Purpose Tank Cars

Identification Number	Lessor's Cost (Dollars)
HOKX 111523	$55,622.91
HOKX 111524	$55,622.91
HOKX 111525	$55,579.91
HOKX 111526	$55,622.91
HOKX 111527	$55,654.91
HOKX 111528	$55,579.91
HOKX 111529	$55,622.91
HOKX 111530	$55,579.91
HOKX 111531	$55,622.91
HOKX 111532	$55,622.91
HOKX 111533	$55,579.91
HOKX 111534	$55,622.91
HOKX 111535	$55,579.91
HOKX 111536	$55,579.91
HOKX 111537	$55,622.91
HOKX 111538	$55,579.91
HOKX 111539	$55,579.91
HOKX 111540	$55,622.91
HOKX 111541	$55,579.91
HOKX 111542	$55,579.91
Total	$10,671,713.12

SCHEDULE II to
LEASE AGREEMENT

TERMINATION VALUE SCHEDULE

Termination Value Determination Date	Col A (%)	Col B (%)	Col C (%)	Col D (%)
Dec. 1989*	7.000	6.000	3.500	-----
Jan. 1, 1990	7.000	3.500	3.500	-----
June 1990*	6.731	3.500	3.366	-----
Dec. 1990*	6.454	1.500	3.227	-----
Jan. 1, 1991	6.454	0.000	3.227	-----
June 1991*	6.168	0.000	3.084	-----
Dec. 1991*	5.873	0.000	2.937	-----
June 1992*	5.569	0.000	2.785	-----
Dec. 1992*	5.256	0.000	2.628	-----
June 1993*	4.934	0.000	2.467	-----
Dec. 1993*	4.603	0.000	2.302	-----
June 1994*	4.263	0.000	2.132	-----
Dec. 1994*	3.915	0.000	1.958	7.000
June 1995*	3.557	0.000	1.779	7.000
Dec. 1995*	3.192	0.000	1.596	5.959
June 1996*	2.817	0.000	1.409	5.959
Dec. 1996*	2.436	0.000	1.218	4.363
June 1997*	2.045	0.000	1.023	4.363
Dec. 1997*	1.648	0.000	0.824	2.766
June 1998*	1.245	0.000	0.623	2.766
Dec. 1998*	0.835	0.000	0.418	1.169
June 1999*	0.420	0.000	0.210	1.169
Dec. 1999*	0.000	0.000	0.000	-----
**June 2000*	0.000	0.000	0.000	0.500
**Dec. 2000*	0.000	0.000	0.000	0.500
**June 2001*	0.000	0.000	0.000	0.400
**Dec. 2001*	0.000	0.000	0.000	0.400
**June 2002*	0.000	0.000	0.000	0.300
**Dec. 2002*	0.000	0.000	0.000	-----

* In each case the day of the indicated month corresponding to the Delivery Date

** If applicable pursuant to Section 2.5.

EXHIBIT A TO
LEASE AGREEMENT

CERTIFICATE OF ACCEPTANCE

Dated December __, 1989

This Certificate of Acceptance is being delivered pursuant to that certain Lease Agreement (1989-I) dated as of December 12, 1989 (the "Lease") between **ABB CREDIT FINANS AB**, a corporation organized and existing under the laws of the Kingdom of Sweden (the "Lessor"), and **OCCIDENTAL CHEMICAL CORPORATION**, a New York corporation (the "Lessee"). Capitalized terms used herein without definition shall have the respective meanings specified in the Lease.

1. **Acceptance**. Lessee hereby accepts under the Lease the Items of Equipment described on Schedule I hereto (the "Items of Equipment").

2. **Lessor's Cost**. The Lessor's Cost (Dollars) and Lessor's Cost (Sterling) of each Item of Equipment is specified in Schedule I hereto.

3. **Exchange Rate**. The exchange rate effective on the date hereof is £_____ Sterling to one U.S. Dollar.

4. **Representation**. Lessee represents and warrants that, as Assignor and as Lessee, it has satisfied or complied in all material respects with all requirements set forth in the Purchase Documents Assignment, the Lease and the other Operative Documents to be satisfied or complied with by it on or prior to the Delivery Date.

IN WITNESS WHEREOF, Lessee has caused this Certificate of Acceptance to be duly executed on its behalf on the date set forth above.

OCCIDENTAL CHEMICAL CORPORATION

By:_____
Name:
Title:

SCHEDULE I to
CERTIFICATE OF
ACCEPTANCE

Item of Equipment	Manufacturer	Identification Number	Lessor's Cost (Dollars)	Lessor's Cost (Sterling)

EXHIBIT B to
LEASE AGREEMENT

OCCIDENTAL CHEMICAL CORPORATION

December __, 1989

ABB Credit Finans AB
Nybrokajen 15
S-111 48 Stockholm
Sweden

Dear Sirs,

We refer to that certain Lease Agreement (1989-I) dated as of December 12, 1989 (the "Lease Agreement") between ABB Credit Finans AB, as Lessor, and the undersigned, as Lessee. Terms defined in the Lease Agreement shall, except as the context may otherwise require, bear the same respective meanings ascribed thereto in the Lease Agreement when used in this letter.

We hereby designate [ ] for the purposes of Section 4.5.2 of the Lease Agreement to assume, be liable for and satisfy, discharge and pay in full each and every payment of the Designated Sums applicable to that Item or those Items of Equipment listed in the Certificate of Acceptance which is of even date herewith, such Item or Items of Equipment having the respective Lessor's Cost(s) set forth in said Certificate of Acceptance.

Please find enclosed herewith the acknowledgement and undertaking of [ ] with respect to the aforesaid designation.

Very truly yours,

OCCIDENTAL CHEMICAL CORPORATION

By_____
Name:
Title:

Exhibit B
to
Lease Agreement

PAYMENT UNDERTAKING AGREEMENT
(1989-I)

dated as of

among

ABB CREDIT FINANS AB
("Lessor")

and

OCCIDENTAL CHEMICAL CORPORATION
("Lessee")

and

("Bank")

RAIL CARS

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on December __, 1989, at __:__ _.m. recordation number _____.

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Exhibit A	LEASE AGREEMENT	
[Exhibit B	CALL OPTION AGREEMENT]	
[Exhibit C	SALES AGENCY AGREEMENT]	

[*Bracketed language, except where the context otherwise requires, may be included or excluded at Lessee's option.]

THIS PAYMENT UNDERTAKING AGREEMENT (1989-I) is made as of BETWEEN:

1. ABB Credit Finans AB, a limited liability company incorporated in Sweden and having its registered office at Nybrokajen 15, S-111 48, Stockholm,

and

2.

and

3. Occidental Chemical Corporation, a corporation incorporated under the laws of the State of New York, having its principal office at Occidental Tower, 5005 LBJ Freeway, Dallas, Texas 75380.

WHEREAS:

A. Lessee and Lessor have agreed to enter into the Lease Agreement, whereunder Lessor leases the Equipment to Lessee; and

[B. Pursuant to the Call Option Agreement, Lessor has agreed to grant Lessee the right to purchase the Equipment under certain conditions; and]

[C. Pursuant to the Sales Agency Agreement, the Sales Agent has agreed to grant Lessor the right to appoint the Sales Agent as sales agent with respect to the Equipment under certain conditions; and]

D. Pursuant to Section 4.5.2 of the Lease Agreement, Lessee may designate a bank acceptable to Lessor to assume certain of the payment obligations of Lessee under the Lease Agreement; and

E. The Bank has so been designated and has agreed with Lessee [, the Call Optionholder and the Sales Agent] to assume certain payment obligations on the terms and conditions set forth herein and in the Lease Agreement [and in the Call Option Agreement and the Sales Agency Agreement.]

NOW, IN CONSIDERATION OF THE MUTUAL UNDERTAKINGS HEREINAFTER SET OUT THE PARTIES HERETO AGREE AND DECLARE as follows:

1. DEFINITIONS

1.1 In this Agreement the following capitalized terms have the respective following meanings:

Affiliate	means any bank and any office of any bank that is a member of the banking group of which the Bank is a member.
Agreement	means this Payment Undertaking Agreement.
Bank	means and its successors and permitted assigns.
[Call Option	means the call option pursuant to the Call Option Agreement.]
[Call Option Agreement	means the Call Option Agreement (1989-I) dated as of December 12, 1989 between the Lessor and the Lessee with regard to the Equipment in the form attached hereto as Exhibit B.]
[Call Optionholder	means Occidental Chemical Corporation, a corporation incorporated under the laws of the State of New York, its successors and permitted assigns.]
[Call Option Price	means the price payable by the Call Optionholder in the event that the Call Option is exercised.]
[Designated Option Payment	means the amount of the Call Option Price.]
[Designated Payments	means the Designated Sums, the Designated Option Payment and the Designated Sales Agent Payment.]
[Designated Sales Agent Payment	means the payment to Lessor as Principal, pursuant to the Sales Agency Agreement, of the Security Payment or the Penalty Payment (if applicable) (as such terms are defined in the Sales Agency Agreement).]

Designated Sums	means the following payments: 1. each payment of Basic Rent; and 2. the Debt Portion, or such percentage thereof as may be determined in accordance with Clause 2.3.
Lease Agreement	means the Lease Agreement (1989-I) dated as of December 12, 1989 between Lessee and Lessor with regard to the lease of the Equipment in the form attached hereto as Exhibit A.
Lender	means Algemene Bank Nederland (Sverige) AB, a bank company incorporated under the laws of Sweden, having its registered office in Stockholm, Sweden, including its successors and permitted assigns.
Lessee	means Occidental Chemical Corporation, a corporation incorporated in New York and having its principal office at Occidental Tower, 5005 LBJ Freeway, Dallas, Texas 75380, and its successors and permitted assigns.
Lessor	means ABB Credit Finans AB, a limited liability company incorporated in Sweden and having its registered office at Nybrokajen 15, S-111 48 Stockholm, Sweden, and its successors and permitted assigns.
Loan	means the loan made by Lender to Lessor pursuant to the Loan Agreement.
[Sales Agency Agreement	means the Sales Agency Agreement 1989-I dated as of December 12, 1989 between the Lessor and the Sales Agent in the form attached hereto as Exhibit C.]

[Sales Agent has the meaning ascribed to it in the Sales Agency Agreement.]

Capitalized terms used herein not otherwise defined herein shall have their respective meanings as defined in the Lease Agreement.

1.2 Payment on Banking Day

Whenever any payment under this Agreement shall fall due on a day which is not a Banking Day the due date of such payment shall be the next succeeding Banking Day.

2. PAYMENTS

2.1 The Bank hereby irrevocably covenants with Lessor:

[(i)] that it has assumed, is liable for and shall satisfy, discharge and pay in full the Designated Sums in the manner and on the terms and conditions as set forth in the Lease Agreement, subject to the terms and conditions of this Agreement[; and]

[(ii) that it, upon receipt of a certified copy of the Call Option Notice (as defined in the Call Option Agreement) (or other evidence thereof reasonably satisfactory to the Bank that the Call Option has been exercised), shall assume, be liable for and satisfy, discharge and pay the Designated Option Payment in the manner and on the terms and conditions as set forth in the Call Option Agreement, subject to the terms and conditions of this Agreement; and

[(iii) that it, if the Extended Term shall have become applicable pursuant to Section 2.5 of the Lease Agreement, shall assume, be liable for and satisfy, discharge and pay the Designated Sales Agent Payment in the manner and on the terms and conditions as set forth in the Sales Agency Agreement, subject to the terms and conditions of this Agreement.]

2.2 (a) The obligations of the Bank to make each payment of Basic Rent shall become due on the date such payment becomes due under the Lease.

(b) The obligation of the Bank to make each of the following payments shall become due on the date indicated below for such payment if the Bank has received notice on or before each such date specifying that such

payment is due or, if the Bank has not received such notice, on the date thereafter on which the Bank receives such notice (provided that the Bank may rely on any such notice without making any independent investigation and provided further that the Bank shall not be liable for not making any such payment on the expected payment date if it has not timely received any such notice):

(i) the obligation of the Bank to make payment of the Debt Portion (or a part thereof) shall become due upon receipt by the Bank of written notice from Lessor that, under the Lease Agreement, the Termination Sum (or a part thereof) in the amount set out in such notice has become due;

[(ii) the obligation of the Bank to pay the Designated Option Payment shall become due on the Call Option Date (as defined in the Call Option Agreement);

(iii) the obligation of the Bank to pay the Designated Sales Agent Payment shall become due at the time such payment becomes due under the Sales Agency Agreement].

2.3 In the event that the Lessor makes a statement in writing to the Bank that the Termination Sum with respect to some but less than all the Items of Equipment has become due under the Lease Agreement, the Bank shall pay to Lessor the Debt Portion with respect to such Items of Equipment, and any Designated Payment which may become due after said statement shall be adjusted accordingly.

2.4 On the day on which the Debt Portion with respect to an item of Equipment [, the Designated Option Payment or the Designated Sales Agent Payment] becomes due, all payment obligations of the Bank hereunder with respect to such item of Equipment, other than the obligation to pay such Debt Portion [, Designated Option Payment or the Designated Sales Agent Payment] so having become due, shall be terminated. From such day on the Bank shall be released from any obligation hereunder with respect to such item of Equipment other than the obligation to make payment as set forth herein of such Debt Portion [, the Designated Option Payment or the Designated Sales Agent Payment (as the case may be)] having become due.

2.5 Any amount to be paid by the Bank as Debt Portion shall be calculated as provided in the Lease Agreement.

2.6 In the event that for any reason the Bank makes payment of any amount of Basic Rent that has not become due prior to the date the Debt Portion[, or the Designated Option Payment or the Designated Sales Agent Payment] attributable to the Equipment for which such Basic Rent is paid has become due, such amount of Basic Rent shall be deemed to have been applied to payment of such Debt Portion[, such Designated Option Payment or such Designated Sales Agent Payment], and the Bank shall consequently be released from its obligations to make such payments for the amount so deemed paid.

2.7 The payment, discharge and satisfaction of the Designated Sums [, the Designated Option Payment and the Designated Sales Agent Payment] or any part thereof will be made by the Bank without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of the United States or any political subdivision thereof or of Sweden or any political subdivision thereof or of or any political subdivision thereof or of any other state or any authority therein or thereof having power to tax, unless the withholding or deduction by the Bank of such taxes, duties, assessments or governmental charges is required by law, act or decree, provided, however, that the foregoing shall not be construed to release Lessee from any liability under Article 21 of the Lease Agreement.

2.8 The Bank agrees with Lessor that the obligations and liabilities assumed by the Bank pursuant to this Clause 2 constitute direct and irrevocable obligations of the Bank and shall remain in full force and effect and not be affected in any way by the bankruptcy or insolvency of or any matter affecting Lessee[, the Call Optionholder or the Sales Agent].

2.9 The Bank assumes only those payment obligations of Lessee under the Lease Agreement [, the Call Optionholder under the Call Option Agreement and the Sales Agent under the Sales Agency Agreement] which are specifically provided for in this Clause 2 hereof and shall in particular have no responsibility to Lessor or any other person or entity of whatever nature for any other obligation or liability of Lessee under the Lease

Agreement[, the Call Optionholder under the Call Option Agreement or the Sales Agent under the Sales Agency Agreement]. If Lessor shall transfer or assign any of its rights or obligations under this Agreement in controvention of the provisions of Section 7.6 hereof, the Bank shall have no obligation to such assignee or transferee to make payments as provided in this Agreement.

2.10 Payment by the Bank may be made at the Bank's option in whole or in part in one of the following ways, each such payment fully releasing the Bank (and if applicable the party on behalf of which the Bank is making payment) from its obligations for the amount so paid:

(a) by paying cash equal to the Designated Payment; and/or

(b) by set-off of the Designated Payments and interest thereon (whether or not the same are due by the Bank or to be made by the Bank on behalf of another party) against any and all claims then due and owing which the Bank might have (at present or in the future) against Lessor under any Operative Document and/or any successor or any assignee to the Lessor under any Operative Document; and/or

(c) by transfer or assignment or by seeing to it that transfer or assignment takes place to the Lessor of any right (at present or in the future) which the Lender and/or any successor or assignee of the Lender under the Loan Agreement may have against the Borrower (as defined in the Loan Agreement) and/or any successor or assignee to the Borrower under the Loan Agreement for amounts then due and owing, the amount paid by such assignment or transfer being equal to the full amount of the right or rights thus assigned or transferred; and/or

(d) by releasing Lessor and/or any successor or assignee of Lessor under any Operative Document, or by seeing to it that Lessor and/or any successor or assignee of the Lessor under any Operative Document is released, from an obligation or obligations then due and owing which Lessor and/or any successor or assignee of Lessor may have under any Operative Document (at present or in the future) towards the Bank or to any other party, the amount paid by such release being equal to

the full amount of the obligation or obligations from which Lessor and/or any successor or assignee of Lessor under any Operative Document is so released.

2.11 Notwithstanding anything herein to the contrary, if the Lessee assumes Borrower's obligations in respect of the Loan pursuant to Article 15 of the Lease Agreement or Section 3.1 of the Call Option Agreement, the Bank shall, immediately upon such assumption and without further act of any party, be completely and irrevocably released from any further obligation to make any Designated Payments under this Agreement.

2.12 Lessor agrees that it will accept any payment of a Designated Payment from the Bank and that any such payment shall discharge Lessee in full from the related obligation.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Each party to this Agreement hereby represents, warrants to and covenants with the other party hereto as follows:

(i) such party is a company with limited liability duly incorporated and validly existing under the laws of the place of its incorporation;

(ii) such party has full power, authority and legal right to enter into and perform the terms of this Agreement;

(iii) this Agreement has been duly authorized by all necessary action of such party;

(iv) this Agreement constitutes the legal, valid and binding obligation of such party enforceable against such party in accordance with its terms; and

(v) the execution, delivery and performance of the Agreement do not contravene any application law, regulation, decree, order, permit or contractual or other restrictions now existing and binding on such party or any of its material properties.

4. EARLY TERMINATION

If the Loan is terminated pursuant to any provision of the Loan Agreement, then upon the effectiveness of such termination, this Agreement shall terminate and the Bank

shall at such time pay to Lessor an amount equal to the Debt Portion for all the Equipment then subject to the Lease Agreement as a prepayment to Lessor of the Designated Payments and the Bank thereupon will be discharged in full.

5. CONFIDENTIALITY

The terms and conditions of this Agreement are confidential to the parties and shall neither in whole or in part be disclosed to any person nor published without the prior written consent of Lessor and the Bank, provided that this Clause shall not prevent disclosure as required by law or ministerial or judicial or parliamentary authority or to the legal or audit or taxation advisers or bankers of any party hereto.

6. NOTICES

All notices, offers, acceptances, approvals, waivers, requests, demands and other communications hereunder or under any instrument, certificate or other document delivered in connection with the transactions described herein (collectively, a "notice") shall be in writing, shall be addressed as provided below and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service (including, without limitation, Federal Express, ETA, Emery Purolator, DHL, Air Borne, and other similar overnight delivery services), (c) if overnight delivery services are not readily available, if mailed by first class mail, postage prepaid, registered or certified with return receipt requested or (d) if sent by prepaid telegram or by telex and confirmed. Notice given in any such manner shall be effective upon receipt by the addressee, provided, however, that if any notice is tendered to such addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. For the purposes of notice, the addresses of the parties shall be as set forth below; provided, however, that any party shall have the right to change its address for notice hereunder to any other location within the continental United States, Sweden or the country where Lessor maintains its principal office by giving of thirty (30) days' notice to the other party.

To Lessor: ABB Credit Finans AB
Att: Vice President - Administration
Nybrokajen 15
S-111 48 Stockholm
Sweden

Telex: 13391 (sirus S)
Telecopier: 46 8 215 541

To Lessee: Occidental Chemical Corporation
Corporate Office
Occidental Tower
5005 LBJ Freeway
P.O. Box 809050
Dallas, Texas 75380
Attention: Debt Compliance

with a copy to

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: Vice President and Treasurer

To the Bank:

or to such other address or telex or facsimile number as shall have been notified (in accordance with this Section 6) to the other party hereto. In the case of notices hereunder given or made by telex, the relevant giver or maker thereof shall, if reasonably requested to do so by this other party hereto, confirm the contents of such telex in a letter to be dispatched by registered mail, postage prepaid, on the same day such request is so made.

7. MISCELLANEOUS

7.1 Failure or omission by any party to this Agreement at any time to enforce or require strict or timely compliance with any provision of this Agreement shall not affect or impair that provision in any way or the rights of such party to avail itself of the remedies it may have in respect of any breach of any such provision. Any waiver, consent or approval of any breach of or default under this Agreement or any waiver of any provision or condition of this Agreement shall be in writing signed by the party affected and shall be effective only to the extent that it is specifically set forth in such writing.

7.2 The provisions of this Agreement may be modified or amended only by an instrument or instruments in writing signed by each of the parties hereto. The Lease Agreement [, the Call Option Agreement and the Sales Agency Agreement] shall not and cannot be varied in any way altering the amount of any Designated Payment on the scheduled payment date thereof except if the Bank prior to such variation has given its written consent thereto. Notwithstanding anything to the contrary set forth herein or in any other document, no change in the Lease Agreement [,the Call Option Agreement or the Sales Agency Agreement], without the prior written consent of the Bank, can in any way change, vary or influence the rights and obligations of the Bank or the amounts to be paid by the Bank under or in connection with this Agreement.

7.3 This Agreement constitutes the entire agreement of the parties as to its subject matter and supersedes all prior agreements, understandings and negotiations as to the subject matter.

7.4 This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument.

7.5 Any heading is inserted for convenience and does not affect the interpretation of this Agreement.

7.6 This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Lessor, pursuant to the terms of the Loan Agreement, is required to assign all of its rights hereunder to the Lender.

Lessor shall only have the right to assign or transfer all (but not less than all) of its rights and obligations under this Agreement, provided that (i) the Bank has given its consent in writing, which consent shall not be unreasonably withheld or delayed, provided that it shall not be unreasonable for the Bank to withhold such consent if the Bank's or any Affiliate's position under any of the Operative Documents would otherwise be materially adversely affected; (ii) such assignment is an assignment of all of Lessor's rights and obligations under this Agreement to one person or entity; (iii) Lessor assigns or transfers its interest in the Items of Equipment to the same person or entity at the same time; (iv) such person or entity assumes in writing all obligations of Lessor under this Agreement; and (v) (except in the event such transferee is the Lessee pursuant to Article 15 of the Lease Agreement or Section 3.1 of the Call Option Agreement) all other Operative Documents to which

Lessor is a party are assigned simultaneously therewith to the same person or entity. Except with respect to the proviso contained in (i) above, the Bank shall be deemed to have unreasonably withheld its consent in the event that the Bank does not, at the time it disapproves of any assignment, upon request of the Lessor provide Lessor with a written statement from the managing board of Algemene Bank Nederland N.V. to Lessor stating that such managing board concurs with such action by the Bank and setting forth the principal reasons for such decision.

7.7 Other than as specifically set forth herein this Agreement and the rights and obligations hereunder of the Lessor and/or the Lessee shall not and cannot be transferred, assigned, pledged, charged or encumbered in any way without the prior written consent of the Bank. Other than as specifically set forth herein this Agreement and the rights and obligations hereunder of the Bank shall not and cannot be transferred, assigned, pledged, charged or encumbered in any way without the prior written consent of the Lessor and the Lessee.

7.8 Except[, with respect to the Lease Agreement,] as otherwise expressly provided in the Lease Agreement, the Bank's undertaking contained herein to make Designated Payments shall not affect Lessor's rights under the Lease Agreement[, the Call Option Agreement or the Sales Agency Agreement].

8. GOVERNING LAW; ARBITRATION

8.1 This Agreement shall in all respects be governed by and construed in accordance with the laws of

8.2 All disputes arising in connection with this Agreement shall be finally settled in accordance with the Arbitration Procedure.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year written above.

ABB CREDIT FINANS AB

By:_____
Title:

By:_____
Title:

OCCIDENTAL CHEMICAL CORPORATION

By:_____
Title:

EXHIBIT C to
LEASE AGREEMENT

[Letterhead of ABB CREDIT FINANS AB]

_____ __, 1989

Occidental Chemical Corporation
Corporate Office
Occidental Tower
5005 LBJ Freeway
P.O. Box 809050
Dallas, Texas 75380

[Designated Bank]

Dear Sirs:

We refer to that certain Lease Agreement (1989-I) dated as of December 12, 1989 (the "Lease") between **ABB Credit Finans AB**, as lessor ("Lessor"), and **Occidental Chemical Corporation**, as lessee ("Lessee"). Having received the material specified by Section 4.5.3 of the Lease, we hereby acknowledge and agree that, subject to Section 4.5.2 of the Lease, Lessee is irrevocably and unconditionally relieved of any and all primary liability with respect to the Designated Sums (as defined in Section 4.5.2 of the Lease) and agree to look first to [Designated Bank], including (subject to the provisions of such Section 4.5.2) exhaustion of all contractual and statutory remedies we may have against the [Designated Bank], for each and every payment of a Designated Sum. We hereby agree with you that, upon your reasonable request, we shall execute any further instruments as may be necessary or appropriate to give effect to the matters set forth herein.

This letter shall be governed by the laws of Sweden.

Very truly yours,

ABB CREDIT FINANS AB

By:_____
Name:
Title:

EXHIBIT D to
LEASE AGREEMENT

ASSUMPTION AGREEMENT (1989-I)

ASSUMPTION AGREEMENT (1989-I) ("Agreement"), dated as of _____, 1989, between Occidental Chemical Corporation, a New York corporation ("Occidental"), and ABB Credit Finans AB, a corporation organized and existing under the laws of the Kingdom of Sweden ("ABB").

W I T N E S S E T H :

WHEREAS, ABB and Algemene Bank Nederland (Sverige) AB, a bank incorporated in Sweden ("ABN") are parties to that certain Loan Agreement (1989-I), dated as of December 12, 1989 (the "Loan Agreement"), pursuant to which ABN will lend to ABB an amount up to £ Sterling _____ for the purchase of the Equipment (the "Loan").

WHEREAS, ABB and Occidental are parties to that certain Lease Agreement (1989-I) dated as of December 12, 1989 (the "Lease") and, pursuant to the terms thereof, Occidental has become obligated to pay a Termination Sum to ABB; and

WHEREAS, pursuant to Article 15 of the Lease, Occidental hereby assumes all of ABB's obligations to ABN under the Loan Agreement;

NOW THEREFORE, in consideration of the mutual covenants set forth herein, in the Loan Agreement and in the Lease and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Definitions; Rules of Interpretation.

(a) Capitalized terms used herein (including the above recitals) but not otherwise defined herein shall have the respective meanings assigned to them in the Lease;

(b) Except as otherwise expressly provided in this Agreement, the following rules shall apply hereto:

(i) the singular includes the plural and the plural includes the singular;

(ii) "or" is not exclusive and "include" and "including" are not limiting;

(iii) a reference to any agreement or other contract includes permitted supplements and amendments;

(iv) a reference to a law includes any amendment or modification to such law and any rules or regulations issued thereunder;

(v) a reference to a Person includes its permitted successors and assigns in the applicable capacity;

(vi) a reference in this Agreement to an Article, Section, Exhibit or Schedule is to the Article, Section, Exhibit or Schedule of this Agreement unless otherwise expressly provided;

(vii) words such as "hereunder", "hereto", "hereof" and "herein" and other words of like import shall, unless the context clearly indicates to the contrary, refer to the whole of this Agreement and not to any particular Article, Section, subsection or clause hereof;

(viii) all obligations under this Agreement are continuing obligations throughout the term of this Agreement;

(ix) any right in this Agreement may be exercised at any time and from time to time;

(x) the headings of the Articles, Sections and subsections are for convenience and shall not affect the meaning of this Agreement; and

(xi) time is of the essence in performing all obligations hereunder.

2. Assumption of Obligations of ABB by Occidental. Occidental hereby agrees to assume, and does hereby assume, the due and punctual payment of all amounts owing by ABB to ABN under the Loan Agreement and the performance of every covenant of the Loan Agreement on the part of ABB to be performed and observed, with the same force and effect as if Occidental had been named as an original party thereto. It is agreed that Occidental shall succeed to, and be substituted for, and may exercise every right and power of, ABB under the Loan Agreement, as the same shall have been amended hereby, with the same effect as if Occidental had been named as an original party thereto, and that ABB is hereby released from all of its obligations under the Loan Agreement.

3. Assumption Date. On the date on or as of which Occidental becomes obligated to pay a Termination Sum under any provision of the Lease (the "Assumption Date"), Occidental hereby agrees to assume the Debt Portion, and as of the

Assumption Date, the Debt Portion has a value of £ Sterling _____.

4. Representations and Warranties. Occidental does hereby represent and warrant that the Lease is in full force and effect and is enforceable in accordance with its terms and that Occidental is not in default thereunder. Occidental does hereby further represent and warrant that (i) it is a corporation duly organized and existing and under the laws of the State of New York and (ii) the making and performance in accordance with the terms of this Agreement have been duly authorized by all necessary corporate action on the part of Occidental, do not require any shareholder approval and do not contravene any law binding on Occidental or contravene its Certificate of Incorporation or By-laws or any other contractual agreement to which Occidental is a party or by which it is bound.

5. Consent and Release. Concurrently with the execution and delivery of this Agreement, Occidental agrees to execute and deliver, along with ABN, a Consent and Release (1989-I), dated the date hereof and attached to this Agreement (the "Consent and Release"), whereby ABN will, among other things, agree to (i) consent to this Agreement and (ii) release ABB from all of its obligations under the Loan Agreement.

6. Notices. Occidental hereby advises ABN that for purposes of all notices and other communications to Occidental under the Loan Agreement, such notices and communications shall be sent to Occidental at the following address:

Occidental Chemical Corporation
Corporate Office
Occidental Tower
5005 LBJ Freeway
P.O. Box 809050
Dallas, Texas 75380
Attn: Debt Compliance
Tel. No.: (214) 404-3800
Facsimile No.: (214) 404-3669

with a copy sent to:

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attn: Vice President - Administration
Tel. No.: (213) 879-1700
Facsimile No.: (213) 824-2372

or to such other address or facsimile number as shall have been notified (in accordance with Clause 10.4 of the Loan Agreement) to ABN.

7. Effect of this Agreement. Except as amended hereby, the Loan Agreement shall remain in full force and effect in accordance with its terms.

8. Severability. If any term or provision of this Agreement or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be prohibited or unenforceable, such term or such provision shall be ineffective as to such jurisdiction to the extent of such prohibition or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions of this Agreement or the application of such term or provision to circumstances other than those as to which it is held prohibited or unenforceable, and the prohibition or unenforceability of any term or provision in any jurisdiction shall not invalidate or render unenforceable such term or provision in any other jurisdiction.

9. Amendments. No terms of this Agreement may be altered, modified, amended, supplemented or terminated except by a written instrument signed by the parties hereto.

10. Currency. This is an international transaction in which the specification of the currency of payments is of the essence. No payments or advances required to be made under this Agreement shall be discharged by payments or advances in any currency other than the designated currency of such payments or advances, whether pursuant to a judgment or otherwise, to the extent that the amount so paid or advanced on prompt conversion to the designated currency (as quoted in London) does not yield the amount of the designated currency to be paid or advanced hereunder. If any payment or advance made by a party hereunder, whether pursuant to a judgment or otherwise, does not, when converted, result in the correct amount of the designated currency required to be paid or advanced hereunder, the other party shall have a separate cause of action for the amount of any such shortfall.

11. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original for all purposes, but all such counterparts shall together constitute but one and the same instrument.

12. Costs. Each party shall pay all costs and out-of-pocket expenses, including but not limited to reasonable legal fees and expenses of the other party arising in connection with the enforcement and preservation by the other party of its rights under this Agreement. [All such costs and expenses shall be payable in the currency in which incurred.]

13. Language of Documents. All documents or notices to be delivered pursuant to, or in connection with, this Agreement shall be in the English language. If any such document or notice is not in the English language, it shall be accompanied by a certified English translation thereof that shall control.

14. Complete Agreement. This Agreement, together with the other Operative Documents, constitutes the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersedes any prior agreements with respect thereto.

15. Waivers; Remedies Cumulative. No failure to exercise or enforce and no delay in exercising or enforcing, on the part of ABB or Occidental or either of them, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise or enforcement of any such right, remedy, power or privilege preclude any further exercise thereof, or the exercise of any other right, remedy, power or privilege hereunder or otherwise. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by applicable law.

16. Governing Law. This Agreement shall be governed by and construed in all respects in accordance with the laws of The Netherlands. Any dispute arising in connection with this Agreement shall be finally settled in accordance with the Arbitration Procedure.

INTENDING TO BE LEGALLY BOUND, the parties hereto have caused this Agreement to be duly executed as of the date written above.

ABB CREDIT FINANS AB

By_____
Name:
Title:

By_____
Name:
Title:

OCCIDENTAL CHEMICAL CORPORATION

By_____
Name:
Title:

[SIGNATURE PAGE]

CONSENT AND RELEASE (1989-I)

CONSENT AND RELEASE (1989-I) ("Consent"), dated _____, 1989, between Algemene Bank Nederland (Sverige) AB, a bank incorporated in Sweden ("ABN"), and Occidental Chemical Corporation, a New York corporation ("Occidental").

WHEREAS, Occidental has executed and delivered to ABN an Assumption Agreement (1989-I) ("Assumption Agreement") dated _____, 1989, whereby Occidental has assumed the due and punctual payment of all amounts owing by ABB Credit Finans AB, a corporation organized and existing under the laws of the Kingdom of Sweden ("ABB"), to ABN pursuant to that certain Loan Agreement (1989-I) (the "Loan Agreement") dated as of December 12, 1989;

NOW, THEREFORE, ABN and Occidental hereby agree as follows:

1. The capitalized terms used herein (including the above recitals), but not otherwise defined herein shall have the respective meanings assigned to them in the Loan Agreement.

2. ABN consents to all the provisions of the Assumption Agreement and agrees that ABB is absolutely and unconditionally released from any and all obligations under the Loan Agreement.

3. Any failure on the part of Occidental to fulfill its obligations under the Assumption Agreement shall not constitute an Event of Default under the Loan Agreement.

4. All representations, warranties, indemnities and agreements of ABN under Section Two of the Loan Agreement shall, subject to the terms and conditions thereof, inure to the benefit of Occidental to the same extent as if originally named the "Borrower" therein except as provided by the Assumption Agreement.

5. ABN hereby represents and warrants that (i) ABN is a banking institution duly organized and existing in good standing under the laws of the Kingdom of Sweden, (ii) the making and performance in accordance with their terms of the Assumption Agreement and this Consent and Release have been duly authorized by all necessary action on the part of ABN, do not require any stockholder approval and do not contravene any law binding on the ABN or contravene ABN's [certificate of incorporation or by-laws] or any indenture, credit agreement or other contractual agreement to which ABN is a party or by which it is bound and (iii) the Loan Agreement

constituted as of the date thereof and at all times thereafter to and including the date of this Consent and Release a binding obligation of ABN, enforceable against ABN in accordance with its terms, subject to the terms of the Assumption Agreement, and this Consent and Release is the binding obligation of ABN, enforceable against ABN in accordance with its terms.

INTENDING TO BE LEGALLY BOUND, the parties hereto have caused this Consent to be duly executed as of the date written above.

ALGEMENE BANK NEDERLAND (SVERIGE) AB

By_____
Name:
Title:

OCCIDENTAL CHEMICAL CORPORATION

By_____
Name:
Title:

Acknowledged and accepted by:

ABB Credit Finans AB

By_____
Name:
Title:

EXHIBIT E TO THE
LEASE AGREEMENT

Form **1001**
(Rev August 1987)
Department of the Treasury
Internal Revenue Service

Ownership, Exemption, or Reduced Rate Certificate

(Please type or print)

OMB No 1545 0055
Expires 06 30 90

Beneficial Owner

Name	U.S. identifying number, if any
ABB Credit Finans AB	
Address (number and street) (complete address in the foreign country)	
Nybrokajen 15	
City	Country (including postal zone)
S-111 48 Stockholm	Sweden

1 Check type of income for which this certificate applies. *(If you check box a, you do not have to check any other box.)*

- a ☐ Income from a trust, estate, or investment account
- b ☐ Coupon bond interest (including tax-free covenant bonds)
- c ☐ Interest, other than coupon bond interest
- d ☐ Rents
- e ☐ Natural resource royalties and income from real property
- f ☐ Royalties from use of patents, secret processes, etc.
- g ☐ Royalties from use of films, television tapes, etc.
- h ☐ Annuities
- i ☒ Other income (specify) Payments pursuant to Lease Agreement (1989-I) dated as of December 12, 1989 between ABB Credit Finans AB and Occidental Chemical Corporation

If you checked box b, complete line 2 and, if applicable, line 4.
If you checked any box other than b, complete either line 3 or line 4, whichever is applicable
Note: *Before completing line 4, see instructions.*

2 Information on coupon bonds.

a Name and address of obligor of bonds

b Name of bond			c Date of issue	
d Date interest due	e Date interest paid	f Gross amount of interest paid	g Rate of tax (see instructions)	h Amount of tax withheld
		$	%	$

3 Calendar years for which the reduced or exempt rate of tax applies to other than coupon bond interest.

First year	Second year	Third year
1989	1990	1991

4 Withheld tax requested to be released (see instructions) . . . . . $

I certify that the information entered above is correct; and, if a reduced or exempt rate of tax applies, I further certify that I have complied with all requirements to qualify for the reduced or exempt rate of tax

Sign Here ▶ _____ _____
(Signature of owner, fiduciary, trustee, or agent) (Date)

_____
(If trust or estate, enter name)

_____
(Address of fiduciary, trustee, or agent)

Instructions

(Section references are to the Internal Revenue Code and Income Tax Regulations, unless otherwise noted.)

Paperwork Reduction Act Notice

We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form.—Owners of certain types of income (or owners' trustees or agents) use this form to report to a withholding agent both the ownership of the income and the reduced or exempt rate of tax on the income under tax conventions or treaties. The form can also be used to claim a release of tax withheld at source.

Instructions for Owners, Trustees, or Agents

A. Who Must File.—You as an owner (or your trustee or agent) must file this form if you receive income subject to withholding under section 1441, 1442, or 1451 and you are one of the following:

1. A nonresident alien individual or fiduciary.
2. A foreign partnership.
3. A foreign corporation or other foreign entity.
4. A nonresident foreign partnership with nonresident alien partners (applies to section 1451 only).
5. A nonresident foreign corporation (applies to section 1451 only).

In addition, any payees who do not know the identity of an owner must file this form.

Exhibit F to Lease Agreement
(1989-I)

LOAN AGREEMENT
(1989-I)

dated as of
December 12, 1989

between

ALGEMENE BANK NEDERLAND (SVERIGE) AB
("Bank")

and

ABB CREDIT FINANS AB
("Borrower")

RAIL CARS

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on December __, 1989, at ____:____ _.m., recordation number _____.

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THIS LOAN AGREEMENT (1989-I) is made as of the 12th day of December, 1989 BETWEEN:

1. Algemene Bank Nederland (Sverige) AB, a bank incorporated in Sweden, having its registered office at Box 26096, S-100 41 Stockholm, Sweden ("Lender"); and

2. ABB Credit Finans AB, a corporation incorporated in Sweden, having its registered office at Nybrokajen 15 S-111 48 Stockholm, Sweden ("Borrower").

WHEREAS

A. The Borrower has agreed to purchase the Equipment from the Manufacturer pursuant to the Purchase Documents and the Purchase Documents Assignment for an amount equal to the Lessor's Cost (Dollars) and, thereupon, to lease the said Equipment to Occidental Chemical Corporation (the "Lessee").

B. Pursuant to the Call Option Agreement, the Borrower has agreed to grant to the Call Optionholder the right to purchase the Equipment under certain conditions.

C. Pursuant to the Sales Agency Agreement, the Sales Agent has agreed to grant the Borrower the right to appoint it as the Borrower's sales agent under certain conditions.

D. The Bank has agreed to make available to the Borrower a loan in Sterling in an amount equal to ninety-three (93) per cent of Lessor's Cost (Sterling) to assist the Borrower to finance the purchase of the Equipment.

NOW, IN CONSIDERATION OF THE MUTUAL UNDERTAKINGS HEREINAFTER SET OUT THE PARTIES HERETO AGREE AND DECLARE as follows:

1. DEFINITIONS AND INTERPRETATION.

1.1. Definitions. The capitalized terms used herein (including the above recitals), but otherwise not defined herein, shall have the respective following meanings and, if not defined in this Agreement, the capitalized terms shall have the respective meanings ascribed to them in the Lease Agreement:

"Affiliate" means any bank and any office of any bank that is a member of the banking group of which the Bank is a member.

"Agreement" means this Agreement and any schedules hereto as from time to time amended, modified or supplemented.

"Bank" means Algemene Bank Nederland (Sverige) AB, a bank incorporated under the laws of Sweden, its permitted assigns and successors.

"Banking Day" means a day on which commercial banking institutions in Stockholm, New York, London and Amsterdam are open for normal banking business.

"Borrower" means ABB Credit Finans AB, a corporation incorporated under the laws of Sweden and its successors and permitted assigns.

"Call Option" shall have the meaning ascribed to such term in the Call Option Agreement.

"Call Option Agreement" means that certain Call Option Agreement (1989-I) (of even date herewith) between the Borrower and the Call Optionholder.

"Call Optionholder" has the meaning ascribed thereto in the Call Option Agreement.

"Call Option Price" means the price payable by the Call Optionholder pursuant to the Call Option Agreement in the event that the Call Option is exercised.

"Change of Law" means the enactment or introduction of any new law or the amendment or repeal of any existing law which occurs after the date hereof, and for this purpose the word "law" means all or any of the following, whether in existence at the date hereof or introduced hereafter and with which it is obligatory for Dutch or Swedish banks to comply:

(a) any statute, regulation, ordinance or similar legislative or executive action by any national or local government or authority or by any ministry or department thereof (including, but not limited to, taxation departments and authorities);

(b) any request, notice, guideline, directive or other requirement of any central bank or other monetary authority, or of any tax, fiscal or other authority; and

(c) the decision or ruling on, or the interpretation of, any of the foregoing by any court of

law, central bank, monetary authority or any tax, fiscal or other competent authority.

"Debt Amortization Schedule" means Schedule 1 to this Agreement.

"Debt Service" means with regard to each Loan Payment Date the amount of Sterling due and payable on that Loan Payment Date, being the percentage set out in the Debt Amortization Schedule for such Loan Payment Date multiplied by the Lessor's Cost (Sterling) of the Equipment subject to the Lease Agreement on such Loan Payment Date.

"Designated Bank" means a bank designated by Lessee pursuant to Section 4.5.2 of the Lease Agreement.

"Designated Payments" shall have the meaning ascribed to such term in the Pledge Agreement.

"Event of Termination" means any of the events specified in Clause 5.

"Late Payment Rate" means an annual rate of interest equal to LIBOR plus 2.0% (or, if lower, the highest rate of interest permitted by law) calculated on a daily basis for the actual number of days elapsed and based on a year of 365 days.

"Lease Agreement" means that certain Lease Agreement (1989-I) (of even date herewith) between the Borrower and the Lessee, providing for the lease of the Items of Equipment by the Borrower to the Lessee.

"Lessee" means Occidental Chemical Corporation, a corporation incorporated in New York and having its principal office at Occidental Tower, 5005 LBJ Freeway, Dallas, Texas 75380, and its successors and permitted assigns under the Lease Agreement.

"LIBOR" means (i) the arithmetic average (rounded to the nearest 1/100 of 1%) of the offered quotation to first-class banks in the London interbank market by the Bank for Sterling overnight deposits of amounts in same day funds comparable to the principal amount for which an interest rate is then being determined as of 11:00 A.M. (London time) on the first Business Day of such deposit divided (and rounded upward to the next whole multiple of 1/16 of 1%) by (ii) a percentage equal to 100 minus the then stated maximum rate of all reserve requirements (including without limitation any

marginal, emergency, supplemental, special or other reserves) applicable to the Bank.

"Loan" means the outstanding principal amount from time to time of the loan made by the Bank to the Borrower pursuant to Section 3.1.

"Loan Payment Dates" means each of the dates set out as such in the Debt Amortization Schedule.

"Notice of Termination" means a notice served by the Bank on the Borrower pursuant to Clause 5.

"Operative Documents" means each of this Agreement, the Purchase Documents, the Purchase Documents Assignment, the Lease Agreement, the Pledge Agreement, the Call Option Agreement, the Sales Agency Agreement, the Payment Undertaking Agreement (if applicable), and any other agreement between any of the Bank, the Borrower, the Lessee, the Call Optionholder, the Sales Agent and the Designated Bank (if applicable) directly relating to any payments to be made in connection with this Agreement or any of such documents or the funding by any of the Bank, the Borrower, the Lessee, the Call Optionholder, the Sales Agent or the Designated Bank (if applicable) of any of their obligations hereunder or under any such other documents, as amended from time to time.

"Payment Undertaking Agreement" means (if applicable) the payment undertaking agreement substantially in the form of Exhibit B to the Lease Agreement, between the Borrower and the Designated Bank.

"Pledge Agreement" means that certain Pledge Agreement (1989-I), substantially in the form attached hereto as Exhibit C between the Borrower and the Bank pursuant to which the Borrower pledges to the Bank a certain account and certain monies due and to become due to the Borrower pursuant to the Lease Agreement, the Call Option Agreement, the Sales Agency Agreement, and the Payment Undertaking Agreement (if applicable).

"Sales Agency Agreement" means that certain Sales Agency Agreement (1989-I) (of even date herewith) between the Borrower and the Lessee.

"Sales Agent" has the meaning ascribed thereto in the Sales Agency Agreement.

"Taxes" means all license and registration fees and all taxes, withholdings, assessments, levies, imposts, duties or charges or deductions, of any nature whatsoever, together with any penalties, fines or interest thereon or other additions thereto imposed, withheld, levied or assessed by any country, taxing authority or government subdivision thereof or therein or by any international authority, excluding taxes on or measured by net income and taxes imposed in lieu thereof (including taxes measured by gross income or gross receipts and business and franchise taxes).

1.2. Payment on Banking Day. Whenever any payment under this Agreement shall fall due on a day which is not a Banking Day the due date of such payment shall be the next succeeding Banking Day.

2. REPRESENTATIONS AND WARRANTIES.

2.1. By the Borrower. The Borrower represents and warrants to the Bank, as of the date hereof and as of the Delivery Date, as follows:

(a) the Borrower is duly organized as a corporation under the laws of Sweden, has full corporate power to carry out its business as it is now being conducted and to enter into and perform its obligations hereunder and has complied with all material statutory and other requirements relative to the business carried out by it, and has obtained all necessary consents and authorizations to enter into and to make the borrowing hereunder and to enter into the other Operative Documents to which it is a party, as of the date of this Agreement, and no further consents or authorizations are necessary for the service and repayment of the Loan and for the performance by the Borrower of all its obligations pursuant to the provisions hereof;

(b) this Agreement constitutes valid and binding obligations of the Borrower enforceable in accordance with its terms except as limited by general principles of equity and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights and remedies of creditors generally, and the execution, delivery and performance of this Agreement do not contravene any applicable law, regulation, decree, order, permit or contractual or other restriction now existing and binding on the Borrower or on any of its material properties;

(c) no action, suit or proceeding is pending or, to the best knowledge of the Borrower, threatened against the Borrower before any court, board of arbitration or administrative agency which would result in any material adverse effect on the Borrower's ability to perform its obligations hereunder;

(d) to the best knowledge of the Borrower, it is not in default under any agreement to which it is a party or by which it may be bound, nor in default of any kind in respect of any financial commitment or obligation including obligations under guarantees, which would have a material adverse effect on the ability of the Borrower to perform its obligations hereunder, nor is the Borrower aware of a fact which by giving of notice and/or by lapse of time or otherwise would constitute such default; and

(e) there has been no material adverse change in the financial position of the consolidated corporate group of which the Borrower is a member to date from its position as presented in its most recent financial statements and no written information given by the Borrower in relation to this Loan contains any material misstatement of fact as at the date hereof or omits to state a material fact which would be material and adverse to the interest of the Bank as lender.

2.2. By the Bank. The Bank represents and warrants to the Borrower that it is a banking institution duly organized and existing under the laws of Sweden, is duly licensed and duly qualified to conduct its business in Sweden, has all requisite power and authority to enter into this Agreement and to make the Loan, has duly authorized the execution and delivery of this Agreement, has validly executed and delivered this Agreement and the execution, delivery and performance of this Agreement do not contravene any applicable law, regulation, decree, order, permit or contractual or other restriction now existing and binding on the Bank or any of its material properties.

2.3. Survival. The representations and warranties of the parties provided for herein shall survive the execution, performance and delivery of this Agreement and shall be enforceable until neither party has any further liability or obligations hereunder.

3. LOAN CONDITIONS AND TERMS.

3.1. Availability of Loan. The Bank agrees, subject to the terms and conditions of this Agreement, to make a Loan available to the Borrower on the Delivery Date in Sterling equal to 93 percent of Lessor's Cost (Sterling). The Loan shall otherwise be made to the Borrower when, as, and in the manner required under this Agreement.

3.2. Purpose of Loan and Use of Proceeds. The Loan shall be made to assist the Borrower in acquiring the Items of Equipment and shall be applied by the Borrower solely towards payment of the Lessor's Cost (Dollars) in the manner provided for in the Purchase Documents and the Purchase Documents Assignment pursuant to irrevocable written payment instructions in form and substance satisfactory to the Bank.

3.3. Delivery Procedures. Subject to the terms and conditions of this Agreement, (a) the Bank shall on the Delivery Date or such later date as the Borrower shall request make the Loan available to the Borrower in immediately available funds in accordance with the written payment instructions referred to in Clause 3.2 and (b) on the Delivery Date or such later date, as the case may be, the Borrower shall make such payments for the payment of the Lessor's Cost (Dollars) for the Items of Equipment as set forth in and subject to the terms and conditions of the Purchase Documents and the Purchase Documents Assignment.

3.4. Conditions Precedent. The Bank shall not be required to make the Loan unless all of the conditions precedent to the Bank's obligations set forth in Clause 6 hereto are fulfilled to the Bank's satisfaction or waived by the Bank.

In the event that the Delivery Date does not occur for any reason on or before December 29, 1989 the Bank shall no longer be under the obligation to make the Loan available to the Borrower.

3.5. Principal Payments. (a) Subject to Clauses 3.8, 3.9 and 5 hereof, the principal amount of the Loan shall be repaid in twenty (20) consecutive installments on the Loan Payment Dates listed in Part 1 of the Debt Amortization Schedule, each such installment to be in the amount corresponding to the percentage of Lessor's Cost (Sterling) set out under the heading "Principal" opposite the corresponding Loan Payment Date listed in Part 1 of the Debt Amortization Schedule.

(b) If the Term is extended to include the Extended Term, then, subject to Clauses 3.8, 3.9 and 5 hereof and notwithstanding Clause 3.5(a), the principal amount of the Loan shall be repaid in a total of twenty-six (26) consecutive installments, the first nineteen of such installments to be paid as provided in Clause 3.5(a) and the last seven of such installments to be paid on the Loan Payment Dates listed in Part 2 of the Debt Amortization Schedule, each of such seven installments to be in the amount corresponding to the percentage of Lessor's Cost (Sterling) set out under the heading "Principal" opposite the corresponding Loan Payment Date listed in Part 2 of the Debt Amortization Schedule.

3.6. Interest Payments. The Loan shall bear interest on the unpaid principal amount thereof, payable (subject to Clauses 3.8, 3.9 and 5 hereof) in installments on the Loan Payment Dates, each such installment to be in the amount corresponding to the percentage of the Lessor's Cost (Sterling) set out under the heading "Interest" opposite the corresponding Loan Payment Date listed in the Debt Amortization Schedule.

3.7. Other Payments. All payments to be made by the Borrower to the Bank pursuant to this Agreement, other than payments of principal and interest, shall be made upon invoice from the Bank (such invoice to conform to the requirements set forth in Section 10.4 hereof and to be at the discretion of the Bank as regards timing, partial invoice, etc.) within 10 days from the date the Borrower receives such invoice or is deemed to have received such invoice pursuant to Section 10.4 hereof.

3.8. Prepayment.

(a) If:

(i) the leasing of an Item of Equipment under the Lease Agreement is terminated; or

(ii) the Call Option is exercised with respect to all (but not less than all) the Items of Equipment; or

(iii) the Designated Bank is for any reason excused or discharged from its obligations under the Payment Undertaking Agreement,

then, in the case of paragraph (i) above, the Loan with respect to such Item(s) of Equipment shall become due and

repayable in full (and without the need for any demand therefor) and, in the case of paragraphs (ii) and (iii) above, the Loan shall become due and repayable in full (and without the need for any demand therefor), on

(w) in the case of paragraph (i) above, the date on which the Lessee becomes obliged to pay to the Lessor any Termination Sum with respect to such Item(s) of Equipment in accordance with the provisions of the Lease Agreement, or

(x) in the case of paragraph (ii) above, the date on which the Call Option Price becomes due and payable in accordance with the provisions of the Call Option Agreement, or

(y) in the case of paragraph (iii) above, on the date the Designated Bank is so excused or discharged from such obligations.

(b) If, in the Bank's reasonable opinion supported by a legal opinion (addressed to the Bank and the Borrower) from a well-reputed law firm, after the date of this Agreement any Change of Law shall make it unlawful for the Bank or any Affiliate to make, maintain, fund or perform any of their respective obligations under any Operative Document, the Bank shall so certify in writing to the Borrower. In such event, the Bank shall, at the request of the Borrower or at the Bank's option (and at its own cost and expense), and following consultation in good faith with the Borrower, change or use all reasonable efforts to procure a change of the office from which such entity is performing its obligations hereunder or thereunder (the "Performing Office") to an Affiliate acceptable to the parties hereto, with the view to such Affiliate performing such entity's obligations in a manner which in the Bank's reasonable opinion is not unlawful and which maintains the same economic benefits for all parties hereto as previously without affecting the Bank's or any Affiliate's position under any Operative Document in any material respect. The costs and expenses thereof shall be paid as set out in (d) below.

(c) If, in the Bank's reasonable opinion supported by a legal opinion (addressed to the Bank and the Borrower) from a well-reputed law firm, after the date of this Agreement any Change of Law shall:

(i) subject the Bank or any Affiliate to any Taxes; or

(ii) impose, modify or deem applicable any reserve requirements, capital adequacy requirements or similar requirements or require the making of any special deposits against or in respect of any assets or liabilities of, deposits with or for the account of, or loans by, the Bank or any Affiliate; or

(iii) subject the Bank or any Affiliate to any exchange control requirement affecting its carrying out of its obligations under any Operative Document or its transferring of funds in connection herewith or therewith; or

(iv) impose on the Bank or any Affiliate any other conditions affecting its carrying out of its obligations under any Operative Document;

and the result in the Bank's reasonable opinion of any of the foregoing shall be either to increase the cost -- direct or indirect -- to the Bank or any Affiliate of making, maintaining, funding, or performing any of their respective obligations under any Operative Document or to reduce the amount of any payment received or receivable by the Bank or such Affiliate by an amount which the Bank determines, in its reasonable judgment, to be material, then the Bank shall so notify the Borrower in writing and in any such case the Bank from time to time and at any time if legally able so to do shall, if requested by the Borrower or at the Bank's option (and at its own cost), change or use all reasonable efforts to procure the change of such entity's Performing Office to an Affiliate acceptable to the Borrower and the Bank with a view to such Affiliate performing the Bank's obligations hereunder or the Bank's or any Affiliate's obligations under any other Operative Document in a manner which achieves the same economic benefits for all parties hereto as previously without affecting the Bank's or any Affiliate's position under any Operative Document in any material respect. The costs and expenses thereof shall be paid as set out in (d) below.

(d) If the Borrower requests such investigation, the Borrower shall be liable to pay all reasonable costs and expenses, including reasonable legal fees for the Bank or any Affiliate relating to investigations concerning the suitability or possibility of a change in Performing Office, and, if the Borrower requests such change of Performing Office, all reasonable costs and expenses, including reasonable legal fees, for the Bank or any Affiliate to change its Performing Office; any such payment to be made

before such entity changes its Performing Office. Upon request from the Borrower, the Bank shall promptly provide the Borrower with a breakdown of the costs and expenses the Bank anticipates would be incurred with respect to such investigation and/or such change of Performing Office.

(e) If it is not possible in the Bank's reasonable opinion to change the applicable Performing Office or for the Borrower to receive the necessary approvals to borrow from another Performing Office (if applicable), or if no change in the Performing Office would operate to remedy the increase in cost to the Bank or any Affiliate or the unlawfulness for the Bank or any Affiliate or the reduction in the amount of any payment received or receivable by the Bank or any Affiliate which occasioned the need to change the Performing Office or if the Borrower has not requested the Bank to change the applicable Performing Office within ten (10) Banking Days after written notice of the change in circumstances or if the Borrower does not agree to investigations reasonably deemed necessary by the Bank (and, in either case, the Bank does not exercise its option to change the applicable Performing Office at its own cost and expense), then the Bank may upon not less than thirty (30) days' written notice or such shorter written notice as may be necessary to avoid the impact of such Change of Law to the Borrower require that the Loan shall become due and repayable in full on the day set forth in such notice.

(f) If any Designated Payment other than Basic Rent at any time becomes due for payment with respect to an item of Equipment, the Loan shall be due and repayable and the Bank shall apply such Designated Payment towards discharge of the Borrower's obligations under this Agreement with respect to such item of Equipment first to interest and the remainder to principal. The Bank shall immediately notify the Borrower in writing in case of such payment.

(g) If any of the events referred to in subclause (b) or (c) above occurs without notice or warning and/or with effect within such a short period of time that in the Bank's reasonable opinion time does not allow an investigation of change of Performing Office in order to remedy the effects of the aforementioned events, then the Bank may, time permitting after written notice to the Borrower (but in any event written notice of such declaration shall be given to the Borrower as promptly as possible), declare the Loan immediately due and payable in full.

(h) If the Loan becomes due and payable in full on a Loan Payment Date, the amount payable under (a), (e) or (g)

above shall be an amount equal to the sum of (i) the Debt Service payable on such Loan Payment Date, and (ii) the amount of the Loan on such Loan Payment Date and (iii) any costs incurred by the Bank and approved by the Borrower in respect of the Loan attributable to the circumstances set forth in (d) above.

If the Loan becomes due and payable in full according to (a), (e) or (g) above on a date other than a Loan Payment Date, the amount payable shall be an amount equal to the sum of (i) the amount of the Loan on the Loan Payment Date immediately preceding the date on which the Loan has become due and payable together with interest thereon calculated from the immediately preceding Loan Payment Date up to and excluding the date on which the Bank will have received the amount payable at the rate of 12.5% per annum and calculated on a daily basis, on the basis of a 365-day year and the actual number of days elapsed and (ii) any cost incurred by the Bank and approved by the Borrower in respect of the Loan attributable to the circumstances set forth in (d) above.

(i) The Borrower undertakes to give notice in writing to the Bank (with a copy thereof to the Lessee) forthwith upon it becoming aware that there has occurred or will occur one of the events specified in paragraphs (i) through (iii) of Clause 3.8(a). Any such notice shall be conclusive evidence of the occurrence of any of such events and the Bank shall not be obliged to enquire as to whether such event has occurred or will occur. Upon receipt of such notice, the Bank will forward a copy thereof to Lessee.

(j) If the Loan is accelerated pursuant to paragraph (a)(iii) above, the Borrower shall immediately terminate the Lease pursuant to Section 10.2.1(c)(2) of the Lease Agreement, and, if the Borrower fails to so terminate the Lease, the Bank shall have the power to do so without notice to or further action by the Borrower.

(k) The Bank acknowledges and confirms that the Lessee with respect to Article 15 of the Lease and the Call Optionholder with respect to Section 3.1 of the Call Option Agreement, respectively, shall have the right to assume Borrower's obligations in respect of the Loan. In such event, the Borrower shall, immediately and without further act of any party, be completely and irrevocably released from any further obligation to make any payments hereunder in respect of such obligations so assumed, and the Designated Bank (if applicable) shall, immediately and without further act of any party, be completely and irrevocably released from

any further obligation to make any Designated Payments under the Payment Undertaking Agreement.

3.9. Application of Payments or Other Monies. Except as otherwise agreed by the parties hereto, the Bank shall apply all payments at any time or from time to time received by it from or on behalf of the Borrower pursuant to the Pledge Agreement firstly to interest and the remainder to principal on the Loan.

3.10. Assignment or Transfer by Borrower. The Borrower may not sell, assign or transfer its interest in the Equipment unless either the Borrower's rights and obligations under this Agreement are assigned or transferred to such transferee or the Borrower leases the Equipment from such transferee or the Loan is repaid in full.

Borrower shall only have the right to assign or transfer all (but not less than all) of its rights and obligations under this Agreement provided that (i) the Bank has given its consent in writing (which consent shall not be unreasonably withheld or delayed (it being agreed that, except as provided below, it shall not be unreasonable for the Bank to withhold such consent if the Bank's or any Affiliate's position under any of the Operative Documents would otherwise be materially adversely affected)); (ii) such assignment is an assignment of all of the Borrower's rights and obligations under this Agreement to one person or entity; (iii) the Borrower assigns or transfers its interest in the Items of Equipment to the same person or entity at the same time; (iv) such person or entity assumes in writing all obligations of the Borrower under this Agreement (subject to the limitations set forth in Section 4.2 hereof); (v) all other Operative Documents to which the Borrower is a party are assigned simultaneously therewith to the same person or entity (except in the event such transferee is the Lessee pursuant to Article 15 of the Lease or Section 3.1 of the Call Option Agreement); and (vi) the party to which the assignment or transfer is made has executed an irrevocable instruction to pay as set forth in Clause 4.1(a)(ii). Except with respect to the proviso contained in (i) above, the Bank shall be deemed to have unreasonably withheld its consent in the event that the Bank does not, at the time it disapproves of any assignment, upon request of the Lessor, provide the Lessor with a written statement from the managing board of Algemene Bank Nederland N.V. to the Borrower stating that such managing board concurs with such action by the Bank and setting forth the principal reasons for such decision. Upon any such permitted assignment or transfer, the Borrower shall be automatically released from its obligations hereunder

(whether or not recourse to the Borrower). Upon the reasonable request of the Borrower, the Bank shall execute and deliver to the Borrower certificates or other documents necessary to evidence such release.

3.11. No Other Prepayment. This Loan may not be prepaid in whole or in part at any time except as expressly set forth herein.

4. SECURITY FOR THE LOAN; LIMITATION ON RECOURSE.

4.1. Security for the Loan. (a) As security for the Loan, the Borrower will, on or before the Delivery Date, execute and deliver to the Bank:

(i) the Pledge Agreement; and

(ii) an irrevocable instruction to pay, in the form set out in Exhibit B hereto.

(b) In recognition of the Borrower's willingness to execute and deliver such documents, the Bank is prepared to limit its recourse against the Borrower under this Agreement as provided in Clause 4.2.

4.2. Limitation on Recourse. (a) Notwithstanding anything herein (save this Clause 4.2) or in the Operative Documents to the contrary, the Borrower (including, in the event of an assumption of the Loan in accordance with the terms of the Operative Documents, the assuming party) shall not be personally liable for the payment of Debt Service or the Loan under this Agreement except, as to the Borrower or assuming party, respectively, to the extent of sums in respect of the Designated Payments not recovered by the Bank but instead having been received or recovered by the Borrower or assuming party, respectively, or otherwise having come to the benefit of the Borrower or assuming party, respectively, or having resulted in a decrease of liabilities of the Borrower or assuming party, respectively, to any party other than the Bank, whether as a result of any judgment or order of any court or in any bankruptcy, liquidation or dissolution or otherwise, and the Bank agrees that it will, other than as explicitly set forth above in this Section 4.2(a), look solely to the Designated Payments for payments of Debt Service and the Loan to be made by the Borrower under this Agreement and that the Bank shall not otherwise take or pursue any and hereby waives all its rights with respect to judicial or other steps or proceedings, or exercise any other right or remedy that it might otherwise have against the Borrower or the Borrower's assets for the payment of Debt Service or the Loan.

(b) The Borrower shall remain personally and fully liable (notwithstanding the provisions of Clause 4.2(a)) for, and shall indemnify the Bank against and reimburse the Bank on demand for, any loss, damage, liability, claim or expense (including, without limitation, reasonable fees and disbursements of counsel) incurred by the Bank to the extent such loss, damage, liability, claim or expense (i) resulted from the Borrower's fraudulent or wilful misconduct, or (ii) resulted from any representation or warranty being untrue or incorrect in any material respect when made or given by or on behalf of the Borrower under this Agreement, or (iii) resulted from any breach by the Borrower of any of the covenants as set out in Clause 7 hereof or (iv) resulted from any release or reduction of the Bank's security interest in any Designated Payments (or such security interest is otherwise voided or rendered unenforceable) in any case due to or as a result of the occurrence of any of the events mentioned in Clause 5 in paragraphs (d) through (g), and the Bank shall be at liberty to pursue all of its rights and remedies against the Borrower without restriction in the event of any such circumstances.

(c) The provisions of this Clause 4.2 shall only limit the personal liability of the Borrower for the discharge of its monetary obligations under this Agreement and shall not (i) limit or restrict in any way the accrual of interest on any such unpaid amount (although the limitations as to the personal liability of the Borrower shall apply to such interest in the same manner as to such unpaid amount) or (ii) derogate from or otherwise limit the right or recovery, realization or application by the Bank under or pursuant to any of the Operative Documents of anything assigned, charged, pledged or secured to the Bank under or pursuant to any of the Operative Documents. The Bank shall be entitled to reimburse itself in full from the proceeds of the enforcement of any security given to the Bank pursuant to and in accordance with the provisions of this Agreement or any of the Operative Documents.

5. TERMINATION.

At the option of the Bank and notwithstanding any delay or previous waiver of the right to exercise such option and notwithstanding, further, the limitation of recourse pursuant to Clause 4.2 of this Agreement, the Bank may, upon the occurrence of any of the following events (each an "Event of Termination") by written notice to the Borrower (with a copy to Lessee), accelerate the payment of the Loan, whereupon the Loan shall become due and payable on the date of such notice ("Notice of Termination") or any later date

stated in such Notice of Termination, provided, in the case of the events specified in paragraphs (c) through (h) below, that as a consequence thereof, the security over the Designated Payments constituted by the Pledge Agreement may, in the reasonable opinion of the Bank, be materially adversely affected or that, in the reasonable opinion of the Bank, the Bank may be adversely affected in some other material respect (any such consequence to be certified in writing to the Borrower):

(a) if the Borrower shall default in the performance of or compliance with any provision of this Agreement and such default shall continue for more than five Business Days after written notice of such default is given by the Bank to the Borrower requiring such default to be rectified; or

(b) if the Borrower fails to pay the Lessor's Cost (Dollars) with respect to the Items of Equipment on the date the Bank makes the Loan available to the Borrower pursuant to this Agreement; or

(c) if any material representation or warranty made by the Borrower in writing herein or which is contained in any document or certificate furnished under or in connection with this Agreement or any other Operative Document shall prove to have been false or incorrect in any material respect on the date hereof or on the date the Loan is made provided that an Event of Termination shall not be deemed to exist unless the false or inaccurate representation or warranty remains, in the reasonable opinion of the Bank, material to the Bank at the time discovered and, if capable of being cured, is not remedied within the period of fourteen (14) days after the Bank gives the Borrower written notice of such falsehood or inaccuracy; or

(d) if the Borrower shall (i) admit in writing its inability to pay its debts generally as they become due, (ii) file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any bankruptcy laws (as now or hereafter in effect) or an answer admitting the material allegations of a petition filed against the Borrower, in any such proceeding, or the Borrower shall by voluntary petition, answer or consent, seek relief under the

provisions of any other now existing or future bankruptcy or other similar law providing for an agreement, composition, extension or adjustment with its creditors, (iii) make a general assignment for the benefit of creditors or (iv) consent to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property; or

(e) if an order, judgment or decree shall be entered by any court of competent jurisdiction appointing a receiver, trustee or liquidator of the Borrower or of any substantial part of its property, or sequestering any substantial part of the property of the Borrower and any such order, judgment or decree of appointment or sequestration shall remain in force undismissed, unstayed or unvacated for a period of 60 days after the date of entry thereof; or

(f) if the Borrower is being dissolved or liquidated; or

(g) if any event analogous to any of the events specified in paragraph (d), (e) or (f) occurs in any jurisdiction; or

(h) if (1) any Operative Document, at any time after its execution and delivery and for any reason other than the agreement of the Bank or satisfaction in full of all rights and obligations under the Operative Document in question, ceases to be in full force and effect or is declared by a court of competent jurisdiction to be null and void, invalid or unenforceable or (2) any party thereto (or such party's successor or assignee, including a trustee, receiver or liquidator) denies that it has any or further liability or obligation under any Operative Document, or purports to revoke, terminate or rescind the same; or

(i) if the Lessee (or the successor to or assignee of any interest of Lessee in the Equipment under any agreement) shall default with respect to any material covenant in any agreement related to the Equipment; or

(j) if the Bank (as defined in the Payment Undertaking Agreement) is for any reason excused or discharged from its obligations under such Payment Undertaking Agreement.

(k) if the Bank obtains an opinion of counsel that a Change of Law has occurred in either The Netherlands or Sweden relating to the available means of enforcing payment obligations and which could materially adversely affect its ability to realize upon the collateral under the Pledge Agreement if a default by the Borrower were to occur.

In the event the Bank terminates the Loan in accordance with the provisions of this Clause 5, the provisions set out in Clause 3.8(h) hereof shall apply correspondingly.

6. CONDITIONS PRECEDENT TO THE LOAN.

The obligation of the Bank to make the Loan is subject to the satisfaction of all of the following conditions precedent, each of which shall be satisfied prior to or concurrently with the making of the Loan:

(a) The Bank shall have received all of the following documents:

(i) counterparts of this Agreement, duly executed by the Borrower;

(ii) the Pledge Agreement (being in full force and effect and all conditions precedent thereto being fulfilled), together with copies of the notices and confirmations referred to therein and the irrevocable instruction to pay referred to in Clause 4, in each case duly executed by the Borrower;

(iii) a copy, certified as true and correct by an officer of the Lessee and the Borrower, of the Lease Agreement (being in full force and effect and all conditions precedent thereto being fulfilled), duly executed by the Lessee and the Borrower;

(iv) any other Operative Documents, each in full force and effect (all conditions precedent to each of such documents being fulfilled) and duly executed by the parties thereto, and such other documents which the Bank is entitled

to receive under the other Operative Documents;

(v) such documentation as the Bank may reasonably require to establish the due organization and valid existence and good standing of the Borrower and the other parties to the Operative Documents, their authority to execute, deliver and perform the Operative Documents to which each is a party, and the identity, authority and capacity of each officer authorized to act on each party's behalf and so acting; and

(vi) irrevocable written payment instructions as provided for in Clause 3.2 hereof.

(b) The representations and warranties contained in Clause 2.1 shall be true and correct in all material respects on and as of the Delivery Date as though made on and as of that date.

(c) No Event of Termination hereunder or event of default under any of the Operative Documents shall have occurred.

(d) The parties hereto shall have received all necessary governmental consents and permits.

(e) All conditions precedent to the other Operative Documents shall have been fulfilled to the Bank's satisfaction or shall have been waived by the Bank or the relevant parties thereto.

7. COVENANTS.

The Borrower covenants and agrees that, from the date of this Agreement and until all its liabilities under this Agreement have been discharged:

(a) it will not amend or vary or consent to any amendment to or variation (including any assignment or transfer other than pursuant to Section 3.10 hereof) of any of the Operative Documents executed or to be executed by it without the prior written consent of the Bank and it will not give any consents to any person or persons pursuant to or in accordance with any of the

Operative Documents executed or to be executed by it without the prior written consent of the Bank, which consent shall not be unreasonably withheld (it being agreed that it shall not be unreasonable for the Bank to withhold such consent if the Bank's or any Affiliate's position under any of the Operative Documents would otherwise be materially adversely affected), other than amendments, variations or consents pursuant to the Operative Documents which (i) do not affect the amounts of Designated Payments or the date for payment of such amounts thereunder and (ii) do not, under the relevant documentation, require prior written consent of the Bank;

(b) except as provided in Section 3.10 it will not sell, assign, transfer, lease, pledge, mortgage, charge or encumber or dispose of any of its rights or interests in or to the Designated Payments (other than to the Bank) or purport so to do or give any consents pursuant to or in accordance with any of the Operative Documents executed or to be executed by it to any sale, lease, mortgage, charge or disposal of any person's rights or interests in or under any of the Operative Documents executed or to be executed by that person without the prior written consent of the Bank, which consent shall not be unreasonably withheld (it being agreed that it shall not be unreasonable for the Bank to withhold such consent if the Bank's or any Affiliate's position under any of the Operative Documents would otherwise be materially adversely affected);

(c) it will not do anything or take any action which has or may have the effect of prejudicing the absolute and first ranking security interest of the Bank to the Designated Payments and will not omit to do anything reasonably requested by the Bank which is necessary for the Bank to maintain such security interest perfected (including by way of set-off).

8. TAX INDEMNITIES.

(a) If, due to a Change of Law, any Taxes are deducted or withheld from any payment to the Bank hereunder or under the Pledge Agreement with respect to the final payment of the Loan pursuant to Section 3.8 or Section 5 or are imposed on, or suffered by, the Bank in relation to any such payments received (other than Taxes on any fee payable to the Bank under any Operative Document) or made by the Bank hereunder, the Borrower shall pay to the Bank forthwith upon

demand by the Bank such amounts as shall result in the Bank being in the same position as it would have been in if no such Taxes had been deducted, withheld, imposed or suffered.

(b) Without prejudice to paragraph (a) of this Section 8, the Bank shall promptly notify the Borrower if it becomes aware of any circumstances which might give rise to a claim under paragraph (a) of Section 8.

(c) The indemnification under this Section 8 shall not apply to Taxes imposed on the Bank as a result of the Bank's negligence or wilful misconduct; provided, however, that the Bank shall in no event be considered negligent if the Bank has obtained and followed professional tax advice.

(d) If the Borrower is or may be required to make payment of any claim under paragraph (a) of this Section 8, the Bank and the Borrower shall consult with one another to consider what, if any, action might properly be taken to resist payment of the Taxes in question, and, following such consultation, the Borrower may with the prior written consent of the Bank (such consent not to be unreasonably withheld) take action in the name of the Bank to resist payment of the taxes in question, provided that the Borrower shall first have made provision satisfactory to the Bank in respect of the costs of such action.

(e) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 8 shall survive the repayment in full of the Loan, including interest.

9. UNDERTAKINGS BY THE BORROWER. The Borrower hereby undertakes during such time as the Loan remains outstanding:

(a) at the written request of the Bank to provide the Bank with copies of its audited financial statements as soon as practicable and in any event within 180 days of the end of its financial year as well as such further information with respect to the Borrower as the Bank reasonably deems necessary to assess the financial position of the Borrower;

(b) to inform the Bank promptly if it becomes aware of an Event of Termination (or an event which with the passage of time would become an Event of Termination);

(c) to use its best endeavors to obtain or cause to be obtained every consent and do, or cause to be done, all other acts and things which may from time to time be necessary or desirable for the continued due performance of all its obligations according to this Agreement; and

(d) to maintain in full force and effect all approvals required to enable the Borrower to maintain its corporate status and to continue to carry on its business and affairs.

10. MISCELLANEOUS.

10.1 Waiver. No failure on the part of the Bank to exercise, and no delay in exercising, any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

10.2 Payments. Subject to Section 4.2 hereof, in the event that the Borrower fails to pay the Bank any amount payable by it under this Agreement on the due date for payment thereof, the Borrower shall on written demand by the Bank from time to time pay interest on such overdue amount, from the due date thereof up to date of actual payment, at the Late Payment Rate.

10.3 Certificate of the Bank. Any certificate or determination of the Bank as to any amount payable under this Agreement shall specify in reasonable detail the basis of computation of the relevant amount and shall, absent manifest error, be prima facie evidence in any legal action or proceeding arising out of or in connection with this Agreement.

10.4 Notices. All notices, offers, acceptances, approvals, waivers, requests, demands and other communications hereunder or under any instrument, certificate or other document delivered in connection with the transactions described herein (collectively, a "notice) shall be in writing, shall be addressed as provided below and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service (including, without limitation, Federal Express, ETA, Emery Purolator, DHL, Air Borne, and other similar overnight delivery services), (c) if overnight delivery services are not readily available, if

mailed by first class mail, postage prepaid, registered or certified with return receipt requested or (d) if sent by prepaid telegram or by telex and confirmed. Notice given in any such manner shall be effective upon receipt by the addressee, provided, however, that if any notice is tendered to such addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. For the purposes of notice, the addresses of the parties shall be as set forth below:

If to the Bank:	Algemene Bank Nederland (Sverige) AB Att: Management Box 26096 S-100 41 Stockholm Sweden Telex: 12101 ABNSTO S Telecopier: 46 8 796 49 25
If to the Borrower:	ABB Credit Finans AB Att: Vice President-Administration Nybrokajen 15 S-111 48 Stockholm Sweden Telex: 13391 (SIRUS S) Telecopier: 46 8 215 541

10.5 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, or to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability 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.

10.6 Amendments. The provisions of this Agreement may be modified or amended only by an instrument or instruments in writing signed by each of the parties hereto.

10.7 Headings. The headings of the clauses in this Agreement are for convenience of reference only and shall not modify, expand or limit any of the terms or provisions hereof and all references herein to numbered clauses, unless otherwise indicated, are to clauses of this Agreement.

10.8 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original for all purposes, but all such counterparts shall together constitute but one and the same instrument.

10.9 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that neither party hereto may assign or transfer any of its rights or obligations hereunder without the prior consent of the other and, in the case of the Borrower, such assignment shall otherwise comply with Section 3.10 hereof.

11. CONFIDENTIALITY.

The terms and conditions of this Agreement are confidential and shall neither in whole or in part be disclosed to any person nor published without the prior written consent of the parties hereto, provided that this Clause shall not prevent disclosure as required by law or ministerial or parliamentary authority or to the legal or audit or taxation advisers or bankers of any party hereto.

12. GOVERNING LAW AND ARBITRATION.

12.1. Governing Law. This Agreement shall in all respects be governed by and construed in accordance with the laws of The Netherlands.

12.2. Arbitration. All disputes arising out of or in connection with this Agreement shall be finally settled in accordance with the Arbitration Procedure.

INTENDING TO BE LEGALLY BOUND, the parties hereto have caused this Agreement to be duly executed on the date first written above.

ALGEMENE BANK NEDERLAND
(SVERIGE) AB

By: _____
Title:

By: _____
Title:

ABB CREDIT FINANS AB

By: _____
Title:

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On this day of December 1989, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is _____ of Algemene Bank Nederland (Sverige) AB, that the foregoing instrument was signed on behalf of said corporation by authority of a power of attorney dated December __, 1989, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On this day of December 1989, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is _____ of Algemene Bank Nederland (Sverige) AB, that the foregoing instrument was signed on behalf of said corporation by authority of a power of attorney dated December __, 1989, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On this day of December 1989, before me personally appeared Goran Carlsson, to me personally known, who, being by me duly sworn, says that he is President of ABB Credit Finans AB, that the foregoing instrument was signed on behalf of said corporation by authority of the Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

Schedule 1
to
Loan Agreement (1989-I)

Schedule I

DEBT AMORTIZATION SCHEDULE

(Percent of Lessor's Cost (Sterling))

Part 1 - Basic Term

Payment No.	Loan Payment Date	Debt Service	Interest	Principal	Loan
		Part 1 - Base Term			
Funding	Dec. 28, 1989	-	-	-	93.000
1	June 28, 1990	6.686	5.813	873	92.127
2	Dec. 28, 1990	6.686	5.758	928	91.199
3	June 28, 1991	6.686	5.700	986	90.213
4	Dec. 28, 1991	6.686	5.639	1.047	89.166
5	June 28, 1992	6.686	5.573	1.113	88.053
6	Dec. 28, 1992	6.686	5.503	1.183	86.870
7	June 28, 1993	6.686	5.430	1.256	85.614
8	Dec. 28, 1993	6.686	5.351	1.335	84.279
9	June 28, 1994	6.686	5.268	1.418	82.861
10	Dec. 28, 1994	6.686	5.179	1.507	81.354
11	June 28, 1995	6.686	5.085	1.601	79.753
12	Dec. 28, 1995	6.686	4.984	1.702	78.051
13	June 28, 1996	6.686	4.879	1.807	76.244
14	Dec. 28, 1996	6.686	4.765	1.921	74.323
15	June 28, 1997	6.686	4.646	2.040	72.283
16	Dec. 28, 1997	6.686	4.518	2.168	70.115
17	June 28, 1998	6.686	4.382	2.304	67.811
18	Dec. 28, 1998	6.686	4.239	2.447	65.364
19	June 28, 1999	6.686	4.085	2.601	62.763
20	Dec. 28, 1999	66.686	3.923	62.763	0
		Part 2 - Extended Term			
20	Dec. 28, 1999	6.686	3.923	2.763	60.000
21	June 28, 2000	6.686	3.750	2.936	57.064
22	Dec. 28, 2000	6.686	3.567	3.119	53.945
23	June 28, 2001	6.686	3.372	3.314	50.631
24	Dec. 28, 2001	6.686	3.165	3.521	47.110
25	June 28, 2002	6.686	2.944	3.742	43.368
26	Dec. 28, 2002	46.079	2.711	43.368	0

Exhibit A
to
Loan Agreement

I. Equipment Description and Specifications

A. General Purpose Tank Cars

Type:	16,000 gallon nominal capacity general purpose tank cars
Quantity:	192
Reporting Marks:	HOKX 111351 - HOKX 111542
Manufacturer:	Union Tank Car Company
AAR Mechanical Designation:	DOT 111A100W3
Specifications:	Compartments - 1 Light Weight - 59,600 lbs. Length over strikers - 39' 7-1/2" Length over truck centers - 27' 4" Height - 14' 8-11/16" Width - 10' 8" Plate Specification - ASTM A516 Gr. 70. Diameter -111" O.D. Exterior Serpentine heater coils (4 runs, 8" half oval) stub sill design, truck mounted brakes, NFL roller bearings, 36" wheels, 4" lb. density fiberglass insulation, 11 ga. steel jacket, lining optional, 100 ton ride controlled grade B trucks, Miner Crown SE draft gears, 14" UTC design center plate, double shelf couplers, high friction brake shoes.

Exhibit B
to
Loan Agreement

IRREVOCABLE INSTRUCTION TO PAY

To: Algemene Bank Nederland (Sverige) AB
Att.: Management
Box 26096
S-100 41 Stockholm
Sweden

Terms used in this document shall be as defined in that certain Loan Agreement (1989-I) dated as of December 12, 1989 between the undersigned, as Borrower, and yourselves (the "Loan Agreement").

In order to secure the due performance of all monetary obligations under the Loan Agreement, we hereby irrevocably appoint the Bank as an attorney-in-fact for us and irrevocably authorize and instruct the Bank on our behalf to apply (by setoff, by payment to itself as Bank or by payment to any transferee or assignee of the Loan), any and all Designated Payments towards discharge of our obligations under the Loan Agreement.

ABB CREDIT FINANS AB

By: _____
Title:

By: _____
Title:

EXHIBIT C TO
LOAN AGREEMENT
(1989-I)

PLEDGE AGREEMENT
(1989-I)

dated as of
December __, 1989

between

ABB CREDIT FINANS AB
("Borrower")

and

ALGEMENE BANK NEDERLAND (SVERIGE) AB
("Lender")

RAIL CARS

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on December __, 1989, at __:__ _.m., recordation number _____.

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THIS PLEDGE AGREEMENT (1989-I) is made as of December __, 1989 BETWEEN:

1. ABB Credit Finans AB, a corporation incorporated in Sweden and having its registered office at Nybrokajen 15 S-111 48 Stockholm, and

2. Algemene Bank Nederland (Sverige) AB, a bank incorporated in Sweden having its registered office at Box 26096, 100 41 Stockholm.

WHEREAS:

A. The Borrower has agreed to purchase the Equipment from the Manufacturer and thereupon to lease the Equipment to the Lessee pursuant to the Lease Agreement.

B. Pursuant to the Call Option Agreement between the Borrower and the Lessee, the Borrower has agreed to grant to the Lessee the right to purchase the Equipment under certain conditions.

C. Pursuant to the Loan Agreement the Lender has agreed to make available to the Borrower a loan to assist the Borrower to finance the purchase of the Equipment.

D. Pursuant to the Sales Agency Agreement between the Borrower and the Lessee, the Lessee has agreed to grant the Borrower the right to appoint it Sales Agent with respect to the Equipment under certain circumstances.

E. As a condition to the obligation of the Lender to advance the Loan under the Loan Agreement and as a security for the obligations thereunder the Borrower shall execute and deliver this Pledge Agreement.

NOW, IN CONSIDERATION OF THE MUTUAL UNDERTAKINGS HEREINAFTER SET OUT, THE PARTIES HERETO AGREE AND DECLARE as follows:

1. DEFINITIONS.

1.1 Capitalized terms used herein and not otherwise defined herein, except where the context otherwise requires, shall have the following respective meanings, or, if not defined in this Agreement, the respective meanings ascribed to them in the Loan Agreement:

Account	Means the account referred to in Clause 2.2 hereof.
Bank	Means the obligor under the Payment Undertaking Agreement (if applicable).
Borrower	Means ABB Credit Finans AB, a corporation incorporated under the laws of Sweden, its successors and permitted assigns.
Call Option	Means the purchase option pursuant to the Call Option Agreement.
Call Option Agreement	Means Call Option Agreement (1989-I) dated as of December 12, 1989 between the Borrower and the Lessee with regard to the Equipment.
Call Optionholder	Has the meaning ascribed to it in the Call Option Agreement.
Call Option Price	Means the price payable by the Lessee pursuant to the Call Option Agreement in the event that the Call Option is exercised.
Debt Portion	Has the meaning ascribed thereto in the Lease Agreement.
Designated Option Payment	Means the Call Option Price payable upon exercise of the Call Option.
Designated Payments	Means the Designated Sums, the Designated Option Payment and the Designated Sales Agent Payment.
Designated Sales Agent Payment	Means the payment to Lessor as Principal, pursuant to the Sales Agency Agreement, of the Security Payment or (if applicable) the Penalty Payment (as such terms are defined in the Sales Agency Agreement).

Designated Sums	Means the following payments:
(i)	each payment of Basic Rent; and
(ii)	the Debt Portion.
Lease Agreement	Means Lease Agreement (1989-I) dated as of December 12, 1989 between the Borrower and the Lessee pursuant to which the Borrower leases the Equipment to the Lessee.
Lender	Means Algemene Bank Nederland (Sverige) AB, a bank incorporated under the laws of Sweden, its successors and permitted assigns.
Lessee	Means Occidental Chemical Corporation, a New York corporation, and its successors and permitted assigns.
Lessor	Means ABB Credit Finans AB, a Swedish corporation and its successors and permitted assigns.
Loan	Means the loan made by the Lender to the Borrower pursuant to the Loan Agreement.
Loan Agreement	Means Loan Agreement (1989-I) dated as of December 12, 1989 between the Lender and the Borrower pursuant to which the Lender has agreed to make available the Loan to the Borrower to assist the Borrower to finance the acquisition of the Equipment.
Payment Undertaking Agreement	Means Payment Undertaking Agreement (1989-I) of even date herewith between the Bank and the Borrower.
Sales Agency Agreement	Means Sales Agency Agreement (1989-I) dated as of December 12, 1989 between the Borrower and the Lessee.
Sales Agent	Has the meaning ascribed thereto in the Sales Agency Agreement.

2. PLEDGE.

2.1 The Borrower hereby irrevocably pledges to the Lender (but subject always to Clause 2.4) as security for all its present and future obligations under the Loan Agreement, all its rights, title and interest in and to the Designated Payments and all sums paid or payable in respect thereof, whether by the Lessee, by the Bank pursuant to the Payment Undertaking Agreement (if any), by the Call Optionholder pursuant to the Call Option, by the Sales Agent pursuant to the Sales Agency Agreement, or by any person making payments on behalf of any of the above.

2.2 The Borrower further irrevocably pledges to the Lender (but subject always to Clause 2.4) as security for all its present and future obligations under the Loan Agreement all the proceeds from time to time paid to or standing in the Borrower's account no. 9090-0008-417 (the "Account") with Algemene Bank Nederland (Sverige) AB together with all interest accruing thereon.

2.3 The Borrower further irrevocably assigns to the Lender all of its rights against the Lessee, the Call Optionholder, the Sales Agent and the Bank to enforce payment of the Designated Payments under the Lease, the Call Option Agreement, the Sales Agency Agreement and the Payment Undertaking Agreement, respectively, provided that the foregoing shall not affect the Borrower's rights to terminate the Lease Agreement in accordance with the terms thereof or its rights to enforce payment of any amounts not constituting Designated Payments.

2.4 This Pledge Agreement is security for the undertakings by the Borrower under the Loan Agreement. Accordingly, if the Borrower shall have paid and discharged all sums due and to become due by the Borrower under the Loan Agreement, the Lender shall at the request of the Borrower release to the Borrower the property hereby pledged.

2.5 The Lender shall forthwith upon receipt of any sum or sums representing all or part of the Designated Payments pursuant to this Pledge Agreement apply the same in or towards discharge of the obligations of the Borrower under the Loan Agreement, firstly to interest and the remainder to principal.

2.6 The Lender expressly acknowledges and agrees that it has not hereby received, and has no security or other interest in, the Equipment.

3. NOTICES AND CONFIRMATION.

The Borrower shall not later than the day the Loan is made to the Borrower or, in the case of the Payment Undertaking Agreement, the date of such Payment Undertaking Agreement, give written notice of this Pledge Agreement (in such form as the Lender may require) to the Lessee, the Call Optionholder, the Sales Agent and the Bank and instruct that the payment of all Designated Payments by any such persons be made directly to the Account or in such other manner as the Lender may instruct and all parties to whom such notice shall be given shall not later than the day the Loan is payable by the Lender to the Borrower in writing confirm that all payments will be made to the Account or as otherwise instructed by the Lender in writing.

4. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Lender that:

(i) it is the sole, lawful and beneficial owner of the Designated Payments;

(ii) it has not sold or pledged or agreed to sell or pledge or granted any right in or agreed to grant any right in or otherwise transferred or agreed to transfer the benefit of any of the Designated Payments;

(iii) it has full corporate power and authority to enter into and perform the terms of this Pledge Agreement; and

(iv) this Pledge Agreement constitutes a duly perfected and enforceable first ranking security interest over the Designated Payments free and clear of all other security interests.

5. FURTHER ASSURANCES.

The Borrower shall from time to time, at its own cost and expense, execute and deliver all such documents and do all such things as the Lender may reasonably require for the purpose of protecting or perfecting its security hereunder and, in particular, the Lender's rights to the Designated Payments.

6. REMEDIES.

6.1 The rights, powers and remedies provided in this Pledge Agreement are cumulative and not, nor to be construed as, exclusive of any rights, powers or remedies provided by law.

6.2 No failure to exercise nor any delay on the part of the Lender in exercising any right, power or remedy provided in this Pledge Agreement or by law shall operate as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any further or other exercise of such right, power or remedy or the exercise of any other such right, power or remedy.

7. CONFIDENTIALITY.

The terms and conditions of this Pledge Agreement are confidential and shall neither in whole nor in part be disclosed to any person nor published without the prior written consent of the parties hereto, provided that this clause shall not prevent disclosure as required by law or ministerial or judicial or parliamentary authority or to the legal or audit or taxation advisers or bankers of any party hereto.

8. SUCCESSORS AND ASSIGNS.

This Pledge Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that neither party hereto can assign or transfer any of its rights or obligations hereunder unless such party assigns or transfers such rights or obligations in accordance with and subject to the terms and conditions set forth in Clause 3.10 of the Loan Agreement.

9. GOVERNING LAW; ARBITRATION.

9.1 This Pledge Agreement shall be governed and construed in all respects in accordance with the laws of Sweden.

9.2 All disputes arising in connection with this Pledge Agreement shall be finally settled in accordance with the Arbitration Procedure.

IN WITNESS WHEREOF, the parties have executed this Pledge Agreement the day and year first written above.

ABB CREDIT FINANS AB

By: _____
Title:

ALGEMENE BANK NEDERLAND
(SVERIGE) AB

By: _____
Title:

By: _____
Title:

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this th day of December 1989, before me personally appeared Goran Carlsson, to me personally known, who, being by me duly sworn, says that he is President of ABB CREDIT FINANS AB, that the foregoing instrument was signed on behalf of said corporation by authority under the Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this day of December 1989, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is _____ of ALGEMENE BANK NEDERLAND (SVERIGE) AB, that the foregoing instrument was signed on behalf of said corporation by authority under a power of attorney dated December , 1989, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this day of December 1989, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is _____ of ALGEMENE BANK NEDERLAND (SVERIGE) AB, that the foregoing instrument was signed on behalf of said corporation by authority under a power of attorney dated December , 1989, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

[Letterhead of ABB CREDIT FINANS AB]

December __, 1989

Occidental Chemical Corporation
Corporate Office
Occidental Tower
5005 LBJ Freeway
P.O. Box 809050
Dallas, Texas 75380

NOTICE OF PLEDGE AND CONFIRMATION
OF PAYMENT TO PLEDGEE

Gentlemen:

This is to inform you that pursuant to that certain Pledge Agreement (1989-I) dated the date hereof, ABB Credit Finans AB ("ABB") has pledged to Algemene Bank Nederland (Sverige) AB ("ABN"), as security for all of ABB's obligations to ABN under that certain Loan Agreement (1989-I) dated as of December 12, 1989, all of ABB's rights, title and interest in and to the Designated Sums, the Designated Option Payment and the Designated Sales Agent Payment (all as defined in the Pledge Agreement) and we hereby instruct you to make all payments of the Designated Sums, the Designated Option Payment and the Designated Sales Agent Payment to the Account (as defined in the Pledge Agreement) or as otherwise instructed by ABN.

Please acknowledge and confirm that you will make all such payments as provided above by signing and delivering to us the attached counterpart of this letter.

Very truly yours,

ABB CREDIT FINANS AB

By:_____
Title:

By:_____
Title:

Acknowledged and Confirmed

OCCIDENTAL CHEMICAL CORPORATION

By:_____
Title: Date:

December , 1989

Hollandsche Bank-Unie N.V.
P.O. Box 249
3000 AE Rotterdam
The Netherlands

NOTICE OF PLEDGE AND CONFIRMATION
OF PAYMENT TO PLEDGEE

Gentlemen:

This is to inform you that pursuant to that certain Pledge Agreement (1989-I) dated the date hereof, ABB Credit Finans AB ("ABB") has pledged to Algemene Bank Nederland (Sverige) AB ("ABN"), as security for all of ABB's obligations to ABN under that certain Loan Agreement (1989-I) dated as of December 12, 1989, all of ABB's rights, title and interest in and to the Designated Sums, the Designated Option Payment and the Designated Sales Agent Payment (all as defined in the Pledge Agreement) and we hereby instruct you to make all payments of the Designated Sums, the Designated Option Payment and the Designated Sales Agent Payment to the Account (as defined in the Pledge Agreement) or as otherwise instructed by ABN.

Please acknowledge and confirm that you will make all such payments as provided above by signing and delivering to us the attached counterpart of this letter.

Very truly yours,

ABB CREDIT FINANS AB

By: _____
Title:

Acknowledged and Confirmed

HOLLANDSCHE BANK-UNIE N.V

By: _____
Title: Date:

[Letterhead of ABN]

Exhibit D
to
Loan Agreement

TO: ABB Credit Finance AB Date:_____

Dear Sirs:

Reference is made to that certain Loan Agreement (1989-I) entered into as of December 12, 1989 between you and us (the "Loan Agreement") and to that certain Pledge Agreement (1989-I) entered into this day between you and us (the "Pledge Agreement"). Words and expressions defined in the said agreements have the same meanings in this letter unless the context otherwise requires.

Due to i.a. reasons relevant to the banking group of which we are a member we hereby in accordance with Clause 10.9 of the Loan Agreement request your consent to our assigning and transferring all of the loan made to you by us pursuant to the Loan Agreement to either Algemene Bank Nederland N.V., a bank incorporated in The Netherlands and having its registered office at Vijzelstraat 32, postbus 669 1000 EG, Amsterdam, The Netherlands, or to Hollandsche Bank-Unie N.V., a bank incorporated in The Netherlands and having its registered office at Herengracht 434-440, Amsterdam, The Netherlands (either, the "Transferee"). We also request transfer and assignment of the Pledge Agreement in order for the pledge to be valid and binding to the benefit of the Transferee.

Please confirm by signing and returning the enclosed copy of this letter at your earliest convenience that you consent to the above and that upon the above mentioned assignments and transfers taking place (i) all of your obligations under the Loan Agreement (including Clauses 3.8, 4.1(a)(ii) and 8(a) will continue to be in full force and effect to the benefit of the Transferee, (ii) you consent to the validity of the Pledge Agreement in favour of the Transferee, (iii) the Transferee will have all the rights and obligations vis-a-vis yourselves that it would have had if it had executed the Loan Agreement and the Pledge Agreement instead of the undersigned as Bank (as defined in the Loan Agreement and the Lender (as defined in the Pledge Agreement)), and (iv) you will forthwith execute an irrevocable instruction as referred to in clause 4.1(a)(ii) of the Loan Agreement addressed to the Transferee as the Bank under the Loan Agreement.

Yours faithfully,

ALGEMENE BANK NEDERLAND
(SVERIGE) AB

By:_____
Title:

By:_____
Title:

We hereby acknowledge our consent to your assigning and transferring all of the loan made to us by you pursuant to the Loan Agreement to the Transferee.

We confirm (i) that all of our obligations under the Loan Agreement (including Clauses 3.8, 4.1(a)(ii) and 8(a) will continue in full force and effect to the benefit of the Transferee; (ii) that the Pledge Agreement shall be valid and binding to the benefit of the Transferee; (iii) the Transferee will have all the rights and obligations vis-a-vis us that it would have had if it had executed the Loan Agreement and the Pledge Agreement instead of yourselves as Bank (as defined in the Loan Agreement and as Lender (as defined in the Pledge Agreement); and (iv) that we will forthwith execute and deliver an irrevocable instruction as referred to in Clause 4.1(a)(ii) of the Loan Agreement addressed to the Transferee as the Bank under the Loan Agreement.

ABB CREDIT FINANS AB

By:_____
Title:

AGREEMENT TO ENTER INTO DEPOSIT ARRANGEMENT (1989-I)

This AGREEMENT TO ENTER INTO DEPOSIT ARRANGEMENT, dated as of December 12, 1989, among ABB Credit Finans AB, a Swedish corporation ("ABB Credit"), Occidental Chemical Corporation, a New York corporation ("Lessee") and Hollandsche Bank-Unie N.V., a limited liability banking company incorporated in The Netherlands acting through its Rotterdam branch ("HBU").

W I T N E S S E T H :

WHEREAS, concurrently with the execution and delivery of this Agreement, ABB Credit and Lessee are entering into Lease Agreement (1989-I), dated as of December 12, 1989 (the "Lease");

WHEREAS, in order to secure the payment of a certain amount which may be payable by Lessee under the Lease in the event the Lease is terminated prior to its stated term (the "Top Up Amount"), Lessee, concurrently with the delivery of the equipment under the Lease, will cause Amsterdam-Rotterdam Bank N.V. ("the L.C. Bank") to establish in favor of ABB Credit the L.C. Bank's Irrevocable Standby Letter of Credit (the "Letter of Credit"), up to an aggregate amount of USD 3,104,500 which amount will decrease with the corresponding reduction of the Top Up Amount in accordance with the terms of the Lease and a schedule to be attached to the Letter of Credit;

WHEREAS, the Letter of Credit will expire on December 15, 1992, and will be automatically extended for successive periods of one year unless the L.C. Bank notifies ABB Credit 30 days prior to the then current expiration date of its decision not to extend;

WHEREAS, the Letter of Credit will permit ABB Credit to draw upon the entire balance then available under the Letter of Credit (the "Available Balance") in the event the Letter of Credit is not extended;

WHEREAS, Lessee requires that, in the event ABB Credit should draw down the Available Balance as a result of the Letter of Credit not being extended beyond any expiration date, ABB Credit shall immediately on behalf of Lessee deposit such amount with HBU pursuant to a Deposit Agreement

(the "Deposit Agreement") substantially in the form attached hereto as Exhibit I;

WHEREAS, ABB Credit requires that the principal amounts subject to the Deposit Agreement be pledged by Lessee to ABB Credit to secure the payment of the Top Up Amount intended to be secured by the aforementioned Letter of Credit;

WHEREAS, HBU is willing to accept the Available Balance as a deposit pursuant to the Deposit Agreement;

NOW THEREFORE, in consideration of the premises, the parties hereto agree as follows:

1. Letter of Credit Drawdown.

ABB Credit hereby covenants and agrees with Lessee that (a) in the event it shall have received the 30-day written notice provided in the Letter of Credit from the L.C. Bank to the effect that it has decided not to extend the Letter of Credit beyond the then current expiration date, it shall, on the day (the "Drawdown Date") immediately preceding such expiration date, draw down the Available Balance unless on or prior to the Drawdown Date Lessee shall have provided ABB Credit with an alternative arrangement, satisfactory to ABB Credit, to secure the then remaining Top Up Amount, (b) the Available Balance shall, contemporaneously with the drawdown under the Letter of Credit, be remitted to an account of Lessee at HBU to be designated by HBU, and (c) immediately upon receipt of the notice from the L.C. Bank referred to in clause (a) above, it will telefax a copy of such notice to Lessee in accordance with Section 5 hereof, provided, however, that failure to give such notice shall not adversely affect its right to draw down the Available Balance prior to the termination of the Letter Credit. In the event that ABB Credit receives such 30-day notice and the Letter of Credit terminates without being drawn upon, Lessee agrees to remit to HBU an amount equal to the Available Balance (which amount shall, for purposes of the Pledge Agreement, the Deposit Agreement and this Agreement, be treated as the Available Amount).

2. Agreement to Accept Deposit.

HBU hereby covenants and agrees with Lessee that it shall at the written request of Lessee enter into the Deposit Agreement with Lessee and by telefax notice to ABB Credit designate the account of Lessee at HBU into which the Available Balance shall be deposited.

3. Agreement to Pledge.

Lessee hereby covenants and agrees with ABB Credit that contemporaneously with remittance to HBU of the Available Balance as provided in paragraph 1. above, it will execute and deliver to ABB Credit a Pledge Agreement (the "Pledge Agreement") substantially in the form attached hereto as Exhibit II.

4. Setting of Interest Rate on Deposit.

Prior to the execution and delivery of the Deposit Agreement between HBU and Lessee, Lessee and HBU will negotiate the applicable interest rate payable by HBU with respect to the Deposit and the manner in which such interest rate is to be calculated, such interest rate to be based on then prevailing market conditions.

5. Notices.

Any notice or other communication given or made to a party under this Agreement must (unless otherwise specified in this Agreement) be in writing and left at the address or sent by prepaid ordinary post (airmail, if overseas), telex or facsimile transmission to the address, telex or facsimile transmission number of the party as indicated below or such other address, telex or facsimile transmission number as any party from time to time may notify to any other party for the purpose of this paragraph. Proof of posting by prepaid ordinary post (airmail, if overseas) or of dispatch of telegram or telex is proof of receipt, in the case of a letter, on the third (tenth, if overseas) Business Day after posting, and in the case of a telex, upon receipt by the sender of the answerback c/o of the address after transmission of the communication, and in the case of a facsimile transmission upon production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient notified for the purposes of this clause:

To Lessee: Occidental Chemical Corporation
Corporate Office
Occidental Tower
5005 LBJ Freeway
P.O. Box 809050
Dallas, Texas 75380
Attention: Debt Compliance
Tel. No.: (214) 404-3800
Facsimile No.: (214) 404-3669

with a copy to

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: Vice President and Treasurer
Tel. No.: (213) 879-1700
Facsimile No.: (213) 824-2372

To HBU: Hollandsche Bank-Unie N.V.
Attention: Management
Coolsingel 104
P.O. Box 249
3000 AE Rotterdam
The Netherlands
Telex: 21015
Telecopier: 31 10 4307 423

To ABB Credit: ABB Credit Finans AB
Nybrokajen 15
S-111 48 Stockholm
Sweden
Attention: Vice President - Administration
Telex No.: 13391 SIRUS S
Facsimile No.: 46-8-215541

6. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto. Neither ABB Credit nor Lessee shall assign its rights and obligations hereunder except, in each case, to the entity to whom it concurrently assigns its rights and obligations under the Lease as permitted by the terms of the Lease and the Payment Undertaking Agreement, if any, referred to in the Lease. HBU shall not assign its rights and obligations hereunder without the prior written consent of Depositor and ABB Credit.

7. Governing Law.

This Agreement shall be governed by the laws of The Netherlands.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed as of December 12, 1989.

ABB CREDIT FINANS AB

By _____
Title:

_____

By _____
Title:

HOLLANDSCHE BANK-UNIE N.V.

By _____
Title:

OCCIDENTAL CHEMICAL CORPORATION

By _____
Title:

EXHIBIT I

FORM OF
DEPOSIT AGREEMENT
(1989-I)

DEPOSIT AGREEMENT, dated as of _____ (this "Agreement"), between Occidental Chemical Corporation, a New York corporation ("Depositor"), and Hollandsche Bank-Unie N.V. , a limited liability banking company incorporated in The Netherlands acting through its Rotterdam branch ("HBU").

W I T N E S S E T H :

WHEREAS Depositor, HBU and ABB Credit Finans AB, a Swedish corporation ("ABB Credit") have heretofore entered into the Agreement to Enter into a Deposit Arrangement, dated as of December 12, 1989 (the "Three Party Agreement");

WHEREAS, in the Three Party Agreement (i) ABB Credit covenants and agrees that in the event ABB Credit draws down on the Letter of Credit referred to therein, it will remit the full amount of the drawdown to an account established by Depositor at HBU to be held by HBU pursuant to the terms of this Agreement, and (ii) HBU covenants and agrees to enter into this Agreement with Depositor and perform its obligations hereunder and (iii) Depositor covenants and agrees to execute and deliver to ABB Credit a pledge of the principal amount held by HBU pursuant to this Agreement to fulfill certain obligations of Depositor to ABB Credit pursuant to the terms of the Lease Agreement referred to in the Three Party Agreement;

NOW, THEREFORE, in consideration of the premises, Depositor and HBU agree as follows:

1. Acceptance of Deposit. HBU hereby acknowledges and confirms that (a) it has received the sum of U.S. Dollars _____ (the "Deposit"), in its offices located at _____, for the benefit of Depositor and (b) the Deposit has been pledged by Depositor to ABB Credit pursuant to the Pledge Agreement of even date herewith as collateral security for the punctual fulfillment by Depositor of certain of its obligations under the Lease, dated as of December 12, 1989, by and between ABB Credit and Depositor. HBU and Depositor hereby acknowledge and confirm that except as otherwise expressly provided herein, Depositor shall have

no right or interest to the Deposit (which Deposit shall be under the sole and exclusive control of HBU).

2. Interest Rate. Interest on the outstanding principal amount of the Deposit shall accrue at a rate of ___% per annum and be calculated on the basis of _____ and remitted to Depositor in accordance with Section 3.

3. Payment Out of Deposit; Remittance of Deposit. Upon written demand therefor from ABB Credit pursuant to the terms of the Pledge Agreement, HBU shall remit the outstanding principal amount of the Deposit to ABB Credit. Unless ABB Credit shall have notified HBU in writing that an event has occurred which entitles it to exercise its remedies under the Pledge Agreement, on each date set forth on Schedule 1 hereto, HBU shall remit to Depositor the amount in U.S. Dollars set forth opposite such date plus accrued interest thereon, in immediately available funds to the account of Depositor, Account No. _____ at _____, and the principal amount of the Deposit shall be reduced by the amount of such payment. In the event (i) the principal amount in the Deposit shall have been remitted to ABB Credit pursuant to its exercise of remedies under such Pledge Agreement or (ii) the pledge pursuant to the Deposit Pledge Agreement shall have been released or discharged pursuant to its terms, any balance in the Deposit plus accrued interest thereon shall be forthwith remitted by HBU to Depositor in the manner and to the account set forth in this Section 3.

4. Location of Book Entries and Accounts. At all times during the term of this Agreement, HBU shall keep all books of accounts relating to the transactions contemplated hereby at the offices of HBU located at _____ and all transactions by HBU in respect thereof shall be from such offices, and HBU will not make any changes in such procedure without the prior written consent of Depositor and ABB Credit.

5. Changes of Circumstances. If due to any change in applicable law, treaty, governmental regulation occurring after the date hereof, a lien, surcharge, withholding, assessment, tax or penalty is imposed so that Depositor will not receive the full amount it is entitled to receive pursuant to paragraph 3 above (any such change in law, treaty, governmental regulation being called a "Change") HBU will take such action (including, without limitation, (i) relocation of the Deposit, (ii) transfer all of its books of account with respect to the Deposit or (iii) termination of the Deposit) as may be reasonably requested by Depositor and ABB Credit in order to legally avoid any such lien, surcharge,

withholding, assessment, tax or penalty. HBU hereby represents and warrants that on and as of the date of this Agreement there exists no such law, treaty, governmental regulation or other applicable regulation which has the aforementioned adverse effect on Depositor or ABB Credit. HBU agrees that it will promptly notify Depositor and ABB Credit of the occurrence of any Change or of any development which is likely to result in any such Change.

6. Notices. Any notice or other communication given or made to a party under this Agreement must (unless otherwise specified in this Agreement) be in writing and left at the address or sent by prepaid ordinary post (airmail, if overseas), telex or facsimile transmission to the address, telex or facsimile transmission number of the party as indicated below or such other address, telex or facsimile transmission number as any party from time to time may notify to any other party for the purpose of this paragraph. Proof of posting by prepaid ordinary post (airmail, if overseas) or of dispatch of telegram or telex is proof of receipt, in the case of a letter, on the third (tenth, if overseas) Business Day after posting, and in the case of a telex, upon receipt by the sender of the answerback c/o of the address after transmission of the communication, and in the case of a facsimile transmission upon production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient notified for the purposes of this clause:

To Lessee: Occidental Chemical Corporation
Corporate Office
Occidental Tower
5005 LBJ Freeway
P.O. Box 809050
Dallas, Texas 75380
Attention: Debt Compliance
Tel. No.: (214) 404-3800
Facsimile No.: (214) 404-3669

with a copy to

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: Vice President and Treasurer
Tel. No.: (213) 879-1700
Facsimile No.: (213) 824-2372

To HBU: Hollandsche Bank-Unie N.V.
Attention: Management
Coolsingel 104
P.O. Box 249
3000 AE Rotterdam
The Netherlands
Telex: 21015
Telecopier: 31 10 4307 423

To ABB Credit: ABB Credit Finans AB
Nybrokajen 15
S-111 48 Stockholm
Sweden
Attention: Vice President - Administration
Telex No.: 13391 SIRUS S
Facsimile No.: 46-8-215541

7. Governing Law. This Agreement shall be governed by the laws of The Netherlands.

8. Non-Applicability of General Terms and Conditions. It is expressly agreed by the parties hereto that the General Terms and Conditions of HBU as filed and registered with the Clerk of the District Courts ("Arrondissementsrechtbank") of Amsterdam and Rotterdam do not apply to the relationship between HBU and Depositor and between HBU and ABB Credit.

9. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of ABB Credit and the parties hereto. ABB Credit shall not assign its rights hereunder nor shall Depositor assign its rights and obligations hereunder except, in each case, to the Person to whom it concurrently assigns its rights and obligations under the Lease as permitted by the terms of the Lease and the Payment Undertaking Agreement, if any, referred to in the Lease. HBU shall not assign its rights and obligations hereunder without the prior written consent of Depositor and ABB Credit.

10. Termination. Except as otherwise provided herein, this Agreement shall not terminate unless and until the Pledge Agreement has been terminated or discharged.

11. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, HBU and Depositor have each caused this Agreement to be duly executed as of the ____ day of _____.

HOLLANDSCHE BANK-UNIE N.V.

By: _____
Title:

OCCIDENTAL CHEMICAL CORPORATION

By: _____
Title: