

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Amendment No. 2 to
FORM S-1
REGISTRATION STATEMENT**

*Under
The Securities Act of 1933*

CAI International, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

7359
(Primary Standard Industrial Classification Code Number)

94-3298884
(I.R.S. Employer
Identification No.)

**One Embarcadero Center
Suite 2101**

**San Francisco, California 94111
(415) 788-0100**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Masaaki (John) Nishibori
President and Chief Executive Officer
CAI International, Inc.
One Embarcadero Center
Suite 2101**

**San Francisco, California 94111
(415) 788-0100**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

**Edward J. Wes, Jr.
Bruce McNamara
Sonny Allison
Perkins Coie LLP
101 Jefferson Drive
Menlo Park, California 94025
(650) 838-4300**

**Daniel G. Kelly, Jr.
Davis Polk & Wardwell
1600 El Camino Real
Menlo Park, California 94025
(650) 752-2000**

Approximate date of commencement of proposed sale to the public:
As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said section 8(a), may determine.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table shows the expenses to be incurred in connection with the offering described in this registration statement, all of which will be paid by the registrant. All amounts are estimates, other than the SEC registration fee, the New York Stock Exchange filing fee and The New York Stock Exchange listing fee.

SEC registration fee	\$ 10,700
NASD filing fee	10,500
New York Stock Exchange listing fee	
Accounting fees and expenses	
Legal fees and expenses	
Printing and engraving expenses	
Transfer agent's fees	
Blue sky fees and expenses	
Miscellaneous	
Total*	<u>\$</u>

* To be completed by amendment.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law (*DGCL*) authorizes a corporation to indemnify its directors, officers, employees and agents against expenses (including attorney's fees), judgments, fines and amounts paid in settlement reasonably incurred, provided they act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal proceeding, had no reasonable cause to believe their conduct was unlawful, although in the case or proceedings brought by or on behalf of the corporation, such indemnification is limited to expenses and is not permitted if the individual is adjudged liable to the corporation (unless the Delaware Court of chancery or the court in which such proceeding was brought determines otherwise in accordance with the *DGCL*). Section 102 of the Delaware General Corporation Law authorizes a corporation to limit or eliminate its directors' liability to the corporation or its stockholders for monetary damages for breaches of fiduciary duties, other than for (1) breaches of the duty of loyalty; (2) acts or omissions not in good faith or that involve intentional misconduct or knowing violations of law; (3) unlawful payments of dividends, stock purchases or redemptions; or (4) transactions from which a director derives an improper personal benefit. Our certificate of incorporation contains such a provision.

Our bylaws incorporate Section 145 of the *DGCL*, which provides that we will indemnify each director and officer against all claims and expenses resulting from the fact that such person was a director, officer, agent or employee of the registrant. A claimant is eligible for indemnification if the claimant (1) acted in good faith and in a manner that, in the claimant's reasonable belief, was in or not opposed to the best interests of the registrant; or (2) in the case of a criminal proceeding, had no reasonable cause to believe the claimant's conduct was unlawful. This determination will be made by our disinterested directors, our stockholders or independent counsel in accordance with Section 145 of the *DGCL*.

Section 145 of the *DGCL* authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation against any liability asserted against and incurred by such person in any such capacity, or arising out of such person's status as

such. We have obtained liability insurance covering our directors and officers for claims asserted against them or incurred by them in such capacity.

In addition, we have entered or, concurrently with this offering, may enter, into agreements to indemnify our directors and certain of our officers in addition to the indemnification provided for in the certificate of incorporation and bylaws. These agreements will, among other things, indemnify our directors and some of our officers for certain expenses (including attorneys fees), judgments, fines and settlement amounts incurred by such person in any action or proceeding, including any action by or in our right, on account of services by that person as a director or officer of CAI International, Inc. or as a director or officer of any of our subsidiaries, or as a director or officer of any other company or enterprise that the person provides services to at our request.

The underwriting agreement provides that the underwriters are obligated, under certain circumstances, to indemnify our directors, officers and controlling persons against certain liabilities, including liabilities under the Securities Act. Reference is made to the form of underwriting agreement filed as Exhibit 1.1 hereto.

Reference is made to Item 17 for our undertakings with respect to indemnification for liabilities under the Securities Act.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

There have been no sales of unregistered securities in the last three years.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
*1.1	Form of Underwriting Agreement
*3.1	Amended and Restated Certificate of Incorporation of CAI International, Inc.
*3.2	Amended and Restated Bylaws of CAI International, Inc.
*4.1	Form of Common Stock Certificate
*5.1	Form of Opinion of Perkins Coie LLP
**10.1	Amended and Restated Revolving Credit and Term Loan Agreement, dated September 29, 2006, among Container Applications International, Inc., the Lenders listed on Schedule 1 thereto, Bank of America, N.A., Banc of American Securities LLC, LaSalle Bank National Association and Union Bank of California, N.A.
‡10.2	Note Issuance Agreement, dated October 1, 2006, between Container Applications International, Inc. and Interpool, Inc.
‡10.3	Convertible Subordinated Secured Note, dated October 1, 2006, issued to Interpool, Inc.
**10.4	Employment Agreement, effective November 1, 2006, by and between CAI International, Inc. and Hiromitsu Ogawa
**10.5	Employment Agreement, effective November 1, 2006, by and between CAI International, Inc. and Masaaki (John) Nishibori
**10.6	Employment Agreement, effective November 1, 2006, by and between CAI International, Inc. and Victor M. Garcia

<u>Exhibit No.</u>	<u>Description</u>
**10.7	Amended and Restated Registration Rights Agreement, dated February 16, 2007, by and among CAI, Inc., Hiromitsu Ogawa, Ogawa Family Trust dated 7/06/98, Ogawa Family Limited Partnership and DBJ Value Up Fund
*10.8	Form of Indemnification Agreement between CAI International, Inc. and each of its current executive officers and directors
**10.9	Office Lease for One Embarcadero Center, dated July 27, 2005, between Container Applications International, Inc. and One Embarcadero Center Venture
*10.10	2007 Equity Incentive Plan
‡‡10.11	Second Management Agreement between Container Applications International, Inc. and P&R Equipment & Finance Corporation dated March 1, 1996
‡‡10.12	Management Agreement between Container Applications International, Inc., P&R Equipment & Finance Corporation and Interpool Containers Limited dated March 14, 2006
**21.1	Subsidiaries of CAI International, Inc.
**23.1	Consent of KPMG LLP
*23.2	Consent of Perkins Coie LLP (included in Exhibit 5.1)
**24.1	Powers of Attorney (included on the signature page to this registration statement as initially filed on February 7, 2007)

* To be filed by amendment.

** Previously filed.

‡ Incorporated by reference to Exhibit 10.65 to Interpool Inc.'s Quarterly Report on Form 10-Q, dated November 7, 2006 (File No. 001-11862).

‡‡ Confidential treatment requested as to portions of this exhibit.

(b) The following financial statement schedule is filed as part of this Registration Statement:

Schedule II—Valuation Accounts

All other financial statement schedules have been omitted because they are not required, not applicable or the information to be included in the financial statement schedules is included in the Consolidated Financial Statements or the notes thereto.

ITEM 17. UNDERTAKINGS.

(a) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(b) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or

(4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

INDEX TO EXHIBITS

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‡ Incorporated by reference to Exhibit 10.65 to Interpool Inc.'s Quarterly Report on Form 10-Q, dated November 7, 2006 (File No. 001-11862).

‡‡ Confidential treatment requested as to portions of this exhibit.

Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality requested. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

SECOND MANAGEMENT AGREEMENT

This Second Management Agreement (“Agreement”) is entered into by and between Container Applications International, Inc., a Nevada corporation (“Manager”), and P & R Equipment & Finance Corporation (“Owner”), and shall become effective as of the date of execution hereof by both parties hereto (“Effective Date.”)

RECITALS

1. Owner is a Swiss corporation desiring to purchase intermodal shipping containers as an income producing asset.
2. Manager is engaged in the business, among other things, of owning, managing and leasing a fleet of intermodal dry cargo and specialized shipping containers.
3. Owner and Manager have previously entered into an equipment Management Agreement dated and effective as of November 30, 1993 (the “Initial Management Agreement”), pursuant to which Manager agreed to manage certain intermodal dry cargo and specialized shipping containers purchased by Owner from Manager (the “Original Containers”), which Initial Management Agreement remains in full force and effect as of the date of execution of this Agreement.
4. Owner desires to purchase from Manager additional new, All-Corten, 40-foot dry van containers, new, All-Corten 20-foot dry van containers, and new, All-Corten 40-foot high cube containers, as more specifically described in Exhibit E hereto, (hereinafter referred to as “Containers” and/or as “Owner’s Fleet,”) and to retain Manager as the manager of Owner’s Fleet during the term of this Agreement. (The entire fleet of containers operated by Manager, including the Containers and the Original Containers, shall hereinafter be referred to from time to time as “containers” unless the context requires a more general application for the term.) Owner may in the future elect to purchase incremental lots of new 40-foot dry van, 20-foot dry van, and/or 40-foot high cube containers from Manager which, upon agreement between Owner and Manager and upon the execution of the documentation required hereunder by Owner and Manager, may become part of Owner’s Fleet for purposes of this Agreement.
5. Manager and Owner agree to the proposed engagement under the terms and conditions set forth in this Agreement.

AGREEMENT

IN CONSIDERATION OF the mutual promises and covenants made herein, Owner and Manager hereby agree as follows:

1. Definitions.

As used in this Agreement, in addition to the terms defined in the preamble and recitals to this Agreement, the following terms shall have the respective meanings set forth below:

“Acquisition Agreement” defines an agreement between Owner and Manager under which Owner agrees to purchase from Manager a Group of Containers which Manager will manage under the terms of this Agreement. Each Acquisition Agreement shall describe the Group of Containers to be acquired by Owner and managed by Manager by setting forth the number of units to be acquired by Container Type, the maximum Average Per Container Price for each Container Type, the all-inclusive Total Invoice Price for the entire Group of Containers, the approximate payment and delivery date or dates, and the anticipated manufacturers and manufacturing locations. Since Acquisition Agreements will often be made several months prior to payment and delivery dates, the parties may modify such Acquisition Agreements by written amendment from time to time. Each Acquisition Agreement (and all amendments thereto) will be sequentially numbered and will be attached to and made a part of this Agreement as part of Exhibit E hereto. The Commitment Letter dated March, 1996 (executed on behalf of Owner on March 21, 1996 and on behalf of Manager on March 22, 1996) as amended by the first amendment thereto dated April 24, 1996, with respect to the Initial Group of Containers to be purchased by Owner and managed by Manager under this Agreement, shall hereinafter be deemed to be **“Acquisition Agreement No. I.”**

“Agreement” means this Second Management Agreement entered into by Owner and Manager which shall become effective as of the Effective Date.

“All-Corten” as applied to a container means a container which is manufactured in compliance with specifications which require all panels to be made of corten steel in compliance with general industry standards for dry van containers.

“Available for Lease” defines a Container which (i) has been manufactured in accordance with the specifications agreed to by Owner and Manager; (ii) has undergone all necessary preparation, including inspections, certifications, markings and initial positioning, to be leased immediately to a qualified Lessee (as hereinafter defined); and (iii) either (a) is leased to a Lessee under a Lease, or (b) requires no maintenance or repair (except as has been completed) to be eligible for interchange to a Lessee under general industry standards.

“Capital Improvements” mean any structural change required to be made to containers (including the Containers) so as to conform with all: (i) applicable governmental regulations; (ii) international conventions regarding the structure, physical properties and operational condition of intermodal shipping containers employed in international commerce; and (iii) - generally accepted industry standards for containers. - Capital Improvements do not include repairs or maintenance necessitated due to damage sustained during the operation of the containers nor physical deterioration caused by normal wear and tear.

“Container(s)” shall mean any and all new All-Corten, 20-foot and/or 40-foot dry van containers, and/or 40-foot high cube containers (as more specifically described in Exhibit E to this Agreement), which are purchased by Owner from Manager pursuant to one or more Acquisition Agreements and placed under Manager’s management pursuant to the terms of this Agreement. Such Containers may hereinafter be referred to interchangeably as **“Owner’s Fleet.”**

“**Container Types**” refers to containers of various sizes and types built for various maritime and intermodal shipping uses. For example, 20 foot dry vans, 40 foot dry vans and 40 foot high cubes each constitute a separate Container Type.

“**Delivery Date**” as to any Container refers to the date the Certificate referred to in Section 3 (e) (1) has been executed by Owner’s Agent as to such Container and payment has been made by Owner to Manager for such Container.

“**Effective Date**” shall mean the date this Agreement is executed by both Owner and Manager.

“**Flat Fee Leasing Charge**” shall mean a lump sum payment made by a Lessee under a Lease of a Container which Lease covers all per diem rental charges, all pick-up and drop-off charges, all handling charges and all Damage Protection Plan Fees attributable to that Container for a defined lease term. For purposes of calculating Revenues with respect to the Containers, Manager shall pro-rate each Flat Fee Leasing Charge on a daily basis over the defined lease term for each Container covered by such Flat Fee Leasing Charge, and shall accrue the applicable pro-rated daily portion of such Flat Fee Leasing Charge as Revenue generated by such Container throughout such fixed lease term. In the event a Container covered by a Flat Fee Leasing Charge is redelivered prior to the expiration of the fixed term covered by such charge, Manager shall accrue the unearned pro-rated portion of the Flat Fee Leasing Charge with respect to such Container as Revenue earned on the date of redelivery of such Container.

“**Initial Management Agreement**” shall mean the equipment Management Agreement dated and effective as of November 30, 1993 between Owner and Manager pursuant to which Owner purchased the Original Containers from Manager and placed them under Manager’s management on the terms set forth therein.

“**Leases**” shall mean the leases, of whatever type or term, entered into or to be entered into between Manager and certain lessees (the “**Lessees**”) with respect to the Containers, which Leases may also cover other containers in Manager’s Fleet.

“**Management Fee**” refers to the fee payable to the Manager pursuant to Section 7(a) hereof.

“**Manager’s Fleet**” shall mean all intermodal containers owned, leased and/or managed by Manager and its affiliates, including the Containers and the Original Containers.

“**Manager’s MG&A Expenses**” shall mean all marketing, general and administrative expenses now or hereafter incurred by Manager and/or its affiliates, directly or indirectly, in connection with the containers in Manager’s Fleet (including the Containers), including but not limited to, salaries, rents, legal (except legal fees related to the collection of bad debts or legal fees incurred in connection with a proceeding against the supplier or manufacturer of the Containers pursuant to Section 5(a)), accounting (except accounting fees related to the annual review or audit referenced in Section 11), utilities, travel and entertainment, capital expenditures and other similar items constituting the Manager’s overhead. Manager’s MG&A Expenses shall be for Manager’s own account.

“Net Distribution” shall mean, for any particular period, an amount equal to Revenues for such period less the sum of: (x) Operating Expenses for such period, plus (y) the Management Fee for such period.

“Net Operating Income” or “NOI” shall mean, for any particular period, with respect to the Containers, ***.

“Net Proceeds from Sale or Disposition of Containers” with respect to any Container shall mean *** therefor (both as hereinafter defined.)

“Gross Container Proceeds” shall mean all proceeds (including, without limitation, casualty value payments and/or purchase option payments received from Lessees or other third party bailees of the Container, damage awards, insurance proceeds and salvage proceeds, if applicable) received by Owner (or Manager as agent for Owner) as a result of the Sale or Disposition of such Container by Manager as agent for Owner, including payments made by third parties to repair damage to such Container which were not expended for such repairs as of the date of Sale or Disposition of such Container, all calculated on an accrual basis.

“Sales Costs” with respect to a Container shall mean all costs arising from the Sale or Disposition of such Container (including with regard to damage recoveries or insurance proceeds, cash paid in connection with repairs, as determined to be necessary by the Manager in good faith, of damage to the affected Container, and further including sales commissions paid to brokers and expenses of re-positioning and rehabilitation incurred in order to prepare Containers for sale), all calculated on an accrual basis.

“New” as applied to “containers” offered by Manager to Owner for purchase and/or “Containers” purchased by Owner from Manager shall mean containers and/or Containers with respect to which: (i) CAI has issued an acceptance certificate to the respective manufacturers and/or suppliers thereof not more than six months prior to the date title has been/will be transferred to Owner, and (ii) the initial entry thereof on CAI’s balance sheet has been/will have been made not more than six months prior to the date title has been/will be transferred to Owner.

“Operating Expenses” shall not include *** as defined by GAAP but shall include the following:

(i) All direct expenses and costs related to the ownership, operation and management of the Containers, including, but not limited to, the expenses of maintaining, repairing (including the cost of repairs made pursuant to a Damage Protection Plan), refurbishing, storing, repositioning, surveying, recovering, and handling the Containers, including the cost of spare parts; marketing-agents’ and depot fees; bad debt expense, legal fees and other costs which are directly related to the Containers, including, but not limited to legal fees and other costs incurred without fault of Manager by reason of uninsured claims for personal injury or property damage; insurance premiums for any special insurance required by Owner for the Containers which coverage does not apply to all other containers in Manager’s Fleet; and charges, assessments or levies of whatever kind or nature imposed upon or against the Containers including ad valorem, gross receipts and/or other property taxes imposed against such Containers or against the revenues generated by such Containers. Notwithstanding the foregoing, Manager shall not reserve as bad debt expense amounts in excess of *** of Revenues generated in any quarter without first obtaining the written consent of Owner or Owner’s Agent.

[*] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.**

(ii) Certain indirect expenses which are incurred for Manager's Fleet which are attributable to all the containers in Manager's Fleet and which expenses are reasonably ***. Such indirect expenses may include but are not limited to: data processing costs, legal costs, examination, investigation and other costs incurred as a result of governmental regulatory actions or the collection of bad debts; the costs described in the proviso contained in Section 5(g); and the cost of insurance premiums to insure all the containers in Manager's Fleet including the Containers.

Operating Expenses shall be calculated on an accrual basis in accordance with Generally Accepted Accounting Principles ("GAAP.")

During the period of time which commences on the date that Manager takes initial possession of a Container from its manufacturer and continuing up to, but not including, the day on which Owner pays for that Container (the "**Pre-Payment Period**"), all Revenues generated by and all Operating Expenses attributable to that Container, with the exception of initial repositioning expenses paid by Manager, if any, and certain initial supply fees paid by the first Lessee thereof, if any, as hereinafter described, will be credited or debited, as applicable, to Manager's account. Commencing on the day Owner pays Manager for a Container and continuing through the Term and any renewal terms of this Agreement, all Revenues and Operating Expenses generated by and/or attributable to that Container shall be credited or debited, as applicable, to Owner's account on the terms set forth in this Agreement. Notwithstanding the foregoing, repositioning and related expenses, if any, reasonably incurred by Manager to expedite the initial lease-out of a Container to a Lessee prior to its purchase by Owner shall be charged to the account of Owner as an Operating Expense under this Agreement, and any reimbursement of the aforesaid charges made by such Lessee to Manager which are so specifically designated on Manager's invoice to the Lessee shall be credited to the account of Owner as Revenues under this Agreement, but in no event will the amount credited to Revenues exceed the amount charged to Owner as Operating Expense.

"**Original Containers**" shall mean the 20-foot and 40- dry van containers and 40-foot high cube containers (as more specifically described in the Exhibits to the Initial Management Agreement) which were purchased by Owner from Manager and placed under Manager's management in accordance with the terms of the Initial Management Agreement.

"**Owner's Agent**" shall mean Hakman Capital Corporation, a California corporation.

"**Owner's Fleet**" shall mean any and all new All-Corten, 20-foot and/or 40-foot dry van containers, and/or 40-foot high cube containers (as more specifically described in Exhibit E to this Agreement), which are purchased by Owner from Manager pursuant to one or more Acquisition Agreements and placed under Manager's management pursuant to the terms of this Agreement. The containers comprising Owner's Fleet may hereinafter be referred to interchangeably as "**Containers**."

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“Parties” shall mean Owner and Manager.

“Per Container Price” is the all-inclusive price for each Container which Owner will pay to Manager for transferring title to Owner free and clear of all liens (other than Permitted Liens) and other encumbrances after the newly manufactured Container has been fully and completely prepared to be in an Available for Lease condition. The Per Container Price includes Manager’s purchase price for the Container plus all sales and use taxes payable in connection with the purchase of the Container from the manufacturer and/or the sale of the Container to Owner plus preparation fees, out-of-pocket costs and expenses incurred by Manager (or any third party at -Manager’s request) prior to the initial lease-out of the Container, which fees, costs and expenses are necessary to make the Container ready for initial lease-out, and a ***. Preparation fees, costs and expenses include, but are not limited to, inspection fees, moving, storage, positioning and handling charges (to move the Container from the factory to the manufacturer’s delivery point), plus the cost of marking the Container and placing Manager’s and Owner’s logos, marks, plates and/or decals on the Container. The **“Average Per Container Price”** for each Container Type is derived by adding the Per Container Prices for all Containers of that Container Type in each incremental group of Containers placed under this Agreement by Owner and Manager (hereinafter a **“Group”**) and dividing the resulting total by the total number of Containers of that Container Type in that Group. The number of units by Container Type, the maximum Average Per Container Price for each Container Type, the all-inclusive Total Invoice Price, the approximate delivery date or dates and the anticipated manufacturers and manufacturing locations for the first Group of Containers to be acquired by Owner and managed by Manager under this Agreement (**“Initial Group”**) are set forth in Acquisition Agreement No. I entered into by Owner and Manager in March, 1996 and the amendments thereto, copies of which are attached and included in Exhibit E to this Agreement.

“Permitted Liens” shall mean liens for taxes, assessments, or other governmental charges or levies, liens of carriers, warehousemen, mechanics, materialmen, vendors, landlords and any other liens arising by operation of law in the ordinary course of business, which liens involve no imminent risk of loss to Owner; the rights of Manager under this Agreement; and the rights of the Lessees under the Leases, provided such Lessees are in compliance with their obligations thereunder.

“Pool” means the aggregate of all Containers or Original Containers purchased by Owner and placed under Manager’s management under with this Agreement or the Initial Management Agreement, as applicable, during a defined time period. **Pool A** shall be comprised of all Original Containers purchased by Owner and placed under the Initial Management Agreement from November 1, 1993 through July 31, 1995. **Pool B** shall be comprised of all Original Containers purchased by Owner and placed under the Initial Management Agreement from August 1, 1995 through March 31, 1996. **Pool C** shall consist of all Containers (including the Initial Group of Containers) to be purchased by Owner and placed under this Agreement from

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April 1, 1996 through December 31, 1996. **Pool D** shall consist of any and all Containers to be purchased by Owner and placed under this Agreement from January 1, 1997 through December 31, 1997. **Pool E** shall consist of any and all Containers to be purchased by Owner and placed under this Agreement from January 1, 1998 through December 31, 1998. No Pool shall contain any container owned by any entity other than Owner.

“**Revenues** for a given period of time shall mean all revenues generated from operations related to the Containers for such period, including, but not limited to: net per diem rental charges, net Damage Protection Plan fees, net direct interchange charges, net drop-off charges, net handling charges, net off-hire charges, net pick-up charges, net survey charges, and other net charges arising from the leasing of the Containers, net Flat Fee Leasing Charges, but not including Net Proceeds from Sale or Disposition of Containers. In calculating Revenues for any period, credits given to Lessees against Revenues accrued in current or previous periods will be treated as contra-Revenue items. Revenues shall be calculated on an accrual basis in accordance with GAAP.”

“**Sale or Disposition of Containers**” shall mean any sale, exchange, loss or other disposition of Containers by Manager as a result of one or more of the events described in Sections 4(c) or 4(d) hereof.

“**SCU Available Days**” with respect to each Container Type for any given period of time shall mean the sum of the individual products obtained by multiplying the SCU of each Container of such Type by the number of days in such period during which each Container of that Type was Available for Lease.

“**SCU Lease Days**” with respect to each Container Type for any given period of time shall mean the sum of the individual products obtained by multiplying the SCU of each Container of such Type by the number of days in such period during which each such Container was on Lease.

“**Sales Invoice(s)**” shall mean Manager’s sales invoice(s) to Owner covering each delivery lot of Containers within a Group delivered to Manager on Owner’s behalf pursuant to Section 3 (e) hereof. The total sum invoiced in all Sales Invoices with respect to any Group of Containers shall equal the Total Invoice: Price for the Containers in that Group as reflected in the Acquisition Agreement for that Group of Containers.

“**Standard Container Unit**” or “**SCU**” shall mean the following for each type of container:

<u>Container Type</u>	<u>SCU</u>
20’ standard dry cargo	1.00
40’ standard dry cargo	1.60
40’ high cube dry cargo	1.68

“**Substitute Container(s)**” shall mean replacement container(s) of substantially similar value, type, quality, specifications, material, utility and age as the Container(s) for which such

containers is/are so substituted, and shall be free and clear of all liens (except Permitted Liens), encumbrances or right of others whatsoever except the rights of Manager hereunder and the rights of the Lessees under the Leases. In the event one or more Substitute Containers are transferred to Owner by Manager in place of any of the Containers, Manager shall, at its sole expense, furnish Owner with a bill of sale in form and substance reasonably satisfactory to Owner with respect to such Substitute Container(s). Further, upon receipt of the Bill(s) of Sale for any Substitute Containers as aforesaid, Owner shall, at its sole expense, furnish Manager with Bill(s) of Sale in form and substance reasonably satisfactory to Manager with respect to any of the original Containers for which Manager has substituted a Substitute Container. In the event that any sales tax, transfer tax or customs duty becomes payable solely by reason of the substitution of Substitute Containers for Containers originally covered by this Agreement, Manager shall be liable to pay such sales or transfer tax or customs duty whether nominally imposed on Manager or Owner as a result of the substitution.

“**Twenty-Foot Equivalent Container**” or “**TEU**” shall have the meaning contained in Section 4 (b) (ii).

“**Total Invoice Price**” shall mean the total aggregate Per Container Prices for all Containers in each Group to be purchased by Owner from Manager.

“**Utilization**” for a given period of time shall refer to the average utilization percentage of each Container in Owner’s Fleet, and shall be calculated as the number of SCU Lease Days for all Container Types in Owner’s Fleet for the given period of time divided by the number of SCU Available Days for all Container Types in Owner’s Fleet for such given period of time, and then rounded to the nearest percentage point.

2. Scope of the Agreement.

Subject to all of the terms and conditions set forth herein:

(a) Owner and Manager have previously entered into Acquisition Agreement No. 1 pursuant to which Owner has contracted to purchase the Initial Group of Containers to be managed by Manager under this Agreement. Manager represents and warrants to Owner that the Average Per Container Prices charged to Owner for all Containers contained in the Initial Group and in any subsequent Group(s) of Containers to be purchased by Owner pursuant to future Acquisition Agreements, if any, reflect equipment acquisition prices and terms obtained by Manager for containers concurrently acquired by Manager and added to Manager’s Fleet for its own account.

(b) Owner hereby appoints Manager as agent to: 1) manage the Containers; 2) collect amounts due to Owner with respect to said Containers; 3) disburse funds of Owner to pay all costs, expenses and obligations of Owner (including all fees due the Manager) with respect to the Containers; and 4) transfer the balance of the funds collected to a bank account designated by Owner (“Owner’s Account”), all on the terms and conditions set forth herein. Manager accepts such engagement and agrees to act for Owner and to perform such duties in accordance with the terms and conditions set forth in this Agreement.

3. Acquiring the Owner's Fleet.

Upon execution of this Management Agreement, Manager and Owner will perform the following respective tasks:

(a) As Owner and Manager agree on the acquisition of Groups of Containers by Owner to be managed by Manager under this Agreement, the terms of such acquisitions shall be set forth in successively numbered, written Acquisition Agreements.

(b) Manager will provide to each manufacturer manufacturing Containers, a set of Manager's Standard Specifications for General Cargo Steel Containers dated July 11, 1995, (which specifications have previously been approved in writing by Owner's Agent) to govern the Container manufacturing process. A copy of the aforesaid Standard Specifications is attached to this Agreement as Exhibit F.

(c) Manager will negotiate with container manufacturers selected by Manager the price and other terms and conditions under which the Containers will be manufactured and the date or dates on which each such manufacturer will have the Containers ready for delivery to Manager. Manager will contract for the manufacture of Containers with manufacturers which Manager utilizes for the fabrication of containers to be added to Manager's Fleet for its own account.

(d) Manager will take (and/or will ensure that the manufacturer(s) take), all necessary steps and will arrange for all necessary procedures, including inspections and certifications, to prepare the Containers for lease out to major shipping lines or other credit-worthy Lessees.

(e) When delivery lots of Containers are in an Available for Lease condition, Manager and/or the manufacturer(s) of the Containers, will provide to Owner's Agent FAXed copies and will promptly transmit to Owner's Agent the originals of the following documents:

(1) A Certificate (the "Certificate") signed by Manager to be countersigned by Owner's Agent. The Certificate will certify that a delivery lot of Containers, listed by serial number, has been manufactured in accordance with the terms of this Agreement and the applicable specifications therefor, and is Available for Lease. The Certificate shall specify the Per Container Price, the number of Containers covered by the Certificate, and the aggregate Per Container Prices due Manager from Owner with respect to the Containers covered thereby. The Certificate shall also contain a representation and warranty by Manager that none of the Containers covered thereunder is off-lease and located in the State of California at the time Manager executed the Certificate.

(2) Manager's Sales Invoice(s) for the aggregate Per Container Prices of the Containers covered in Manager's Certificate(s).

(3)(A) Bill(s) of Sale signed by Manager which pass(es) title to the Containers listed in the Certificate(s) to Owner free and clear of all liens (other than Permitted Liens) and other encumbrances upon payment in full of the purchase price for such Containers to Manager by Owner and receipt of such payment by Manager. A Schedule will be attached to the Bill(s) of Sale listing the serial numbers of the Containers covered therein.

(4) Certificates of Inspection covering the Containers listed in the Certificate(s) prepared by an internationally recognized container inspection firm such as Bureau Veritas, together with prototype and individual container approvals.

(5) MANAGER AGREES TO ASSIGN TO OWNER IN WRITING ALL WARRANTIES MADE BY THE MANUFACTURER(S) OF THE CONTAINERS TO THE EXTENT SUCH WARRANTIES ARE ASSIGNABLE. UPON RECEIPT OF THE PURCHASE PRICE THEREFOR, MANAGER WARRANTS THAT OWNER SHALL HAVE GOOD TITLE TO THE CONTAINERS. SAVE AS AFORESAID, MANAGER MAKES NO WARRANTIES OF ANY KIND WITH RESPECT TO THE CONTAINERS. MANAGER, NOT BEING THE MANUFACTURER NOR AGENT OF THE MANUFACTURER OF ANY OF THE CONTAINERS SOLD HEREUNDER, NOR A DEALER IN CONTAINER EQUIPMENT, MAKES NO SEPARATE WARRANTIES, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS OF THIS EQUIPMENT FOR ANY PARTICULAR PURPOSE, OR AS TO THE QUALITY, DESIGN, CONDITION, CAPACITY, SUITABILITY, MERCHANTABILITY OR PERFORMANCE OF ANY OF THE CONTAINERS OR OF THE MATERIAL OR WORKMANSHIP THEREOF. The foregoing shall not derogate from any responsibilities with respect to the Containers specifically assumed by Manager under the provisions of this Agreement.

(f) Owner will cause Owner's Agent to review the documentation, and if all is in order, cause Owner's Agent to signify its approval by counter-signing the Certificate and FAXing the Certificate, the Sales Invoice(s) and accompanying documentation to Owner. Immediately upon receipt of the documentation, Owner will cause Owner's Agent to return a copy of the fully executed Certificate to Manager and to forward the original of all documentation to Owner upon receipt from Manager.

(g) Upon receipt of the FAXed documentation described in subsection (f) above, Owner will promptly wire transfer to a bank account designated by Manager the amount due Manager as specified in Manager's Certificate and the accompanying Sales Invoice(s). If any of Manager's Sales Invoices for the aggregate Per Container Prices of any delivery lot of the Initial Group of Containers or any delivery lot of any additional Group of Containers purchased by Owner pursuant to Section 3A is/are not paid in full (by wire transfer to the account designated by Manager) within ten (10) business days of receipt by Owner of the faxed documents required by sub-sections 3 (e) (1) through (4) of this Agreement, then, without in any way diminishing Owner's obligation to make immediate payment of such Sales Invoice(s), Manager shall be entitled to recover from Owner: (x) interest on the outstanding balance(s) due under such Sales Invoice(s) from time to time, computed from the date of such Sales Invoice(s) until paid in full at the rate of Manager's actual cost of borrowing funds under its bank line of credit for the first five days and the lesser of twelve per cent per year or the maximum amount permitted by applicable law for all remaining days until paid in full; and (y) all damages suffered by Manager as a result of Owner's failure to make timely payment of such Sales Invoice(s), including, but not limited to, carrying costs and penalties paid by Manager with respect to the acquisition costs of the

Containers covered by such Sales Invoice(s). If any of the aforesaid Sales Invoice(s) are not paid in full within fifteen (15) business days of their respective dates, Manager shall be entitled to withhold accrued interest charges thereon (computed as set forth above) and Manager's accrued damages arising from such delayed payment: (i) from subsequent installments of Net Distributions due to Owner pursuant to Section 9(a) of this Agreement; and/or (ii) from subsequent installments of Net Distributions due to Owner pursuant to Section 9(a) of the Initial Management Agreement, provided that, Manager supplies to Owner and Owner's Agent documentation of the interest charges assessed and damages deducted at the time each affected installment of Net Distribution is due to Owner. Furthermore, at any time that payment of (a) Sales Invoice(s) for any of the Initial Group or any additional Groups of Containers is/are overdue, Manager shall not be required to offer any additional containers for purchase by Owner under Section 3A until such overdue Sales Invoice(s), interest due thereon, and damages associated therewith has/have been paid in full to Manager.

3A. Purchase and Management of Additional Containers.

From time to time following execution of this Agreement and throughout the remainder of 1996, 1997, and 1998, Owner may request that Manager offer to Owner, or Manager may at its own initiative offer to Owner, for purchase by Owner and subsequent management by Manager under this Agreement, incremental lots of new 20 foot and 40 foot dry van containers and new 40 foot high cube containers at purchase prices to be agreed from time to time. Manager will provide to Owner and Owner's Agent such information regarding price, quantity, Container Types, manufacturers, location and delivery dates for each incremental lot of equipment offered as is reasonably necessary to Owner and available to Manager to enable Owner to decide whether or not to purchase the offered lot of equipment. Owner will accept or reject in writing each offered lot of containers no more than thirty days from receipt of the required information regarding the offered containers. If Owner accepts any lot(s) of containers offered by Manager under this Section, such lot(s) shall become (an) additional Group(s) of Containers to be covered under this Agreement. Manager and Owner will enter into an Acquisition Agreement setting forth the Per Container Prices and Total Invoice Price for each such additional Group of Containers to be purchased by Owner and managed by Manager under this Agreement, and Owner, Owner's Agent and Manager will fulfill their respective, additional obligations with respect to the manufacture, sale and purchase of such additional Group(s) of Containers as set forth in Section 3. Nothing contained in this Section shall require Manager to offer any additional containers to Owner during the remainder of 1996, during 1997 or during 1998.

4. Term.

(a) The term of this Agreement for each Container shall commence on the date that Container is acquired by Owner and shall expire on December 31, 2006 for Group C Containers, on December 31, 2007 for Group D Containers, and on December 31, 2008 for Group E Containers; provided that all such terms may be terminated prior to their stated expiration dates pursuant to the provisions of this Section 4, of Section 12 or of Section 13, or extended beyond their stated expiration dates pursuant to the extension provisions of this Section 4. Owner shall have the option, exercisable by providing at least six months' written notice to Manager prior to the expiration of the original or first renewal term hereof, to extend this Agreement for one or two additional one year renewal terms on the terms and conditions contained herein. Further,

Owner may request by providing at least six months' written notice to Manager prior to expiration of the second annual renewal term hereof, that the term of this Agreement be extended for an additional one-year renewal period, and, subject to mutual written agreement by the parties as to the terms of such renewal, this Agreement shall be so extended.

(b)

(i) Notwithstanding Section 4(a), this Agreement shall be terminable by Owner upon sixty (60) days written notice to Manager at any time when for the most recent calendar quarter either (i) the average *** or (ii) the average daily Net Operating *** for the Containers over the calendar quarter calculated (for purposes of this subsection only) on an accrual basis, has fallen below ***. Notwithstanding the foregoing, Owner shall not have the right to terminate this Agreement prior to January 31, 1997 under this provision.

(ii) If during the term of this Agreement the ***, as measured in TEUs, declines, for whatever reason, to a level that is *** or less than the *** in the month during which the execution of this Agreement took place, as set forth on Exhibit A hereto, Owner shall have the option of terminating this Agreement by providing Manager written notification of termination. Such termination shall be effective no earlier than 60 days following the delivery of such notice and shall be subject to the other provisions of this section regarding duties of Manager and Owner following termination hereof. As part of its regular quarterly reporting obligations set forth in Section 11(b), Manager agrees to inform Owner quarterly as to the *** must exercise its option to terminate contained in this subsection within 90 days following receipt of a quarterly report showing a decline in ***. For purposes of this Section 4(b), a TEU (twenty-foot equivalent unit) is 1 for all twenty-foot dry van and high cube containers in Manager's Fleet, and 2 for all forty-foot dry van and high cube containers in Manager's Fleet.

(c)

(i) As of the date that any Container covered by this Agreement is lost, destroyed, declared a total loss or rendered unfit as determined by Manager acting in good faith, Manager shall: (x) invoice and collect the casualty value of the destroyed or total loss Container from the Lessee or other bailee thereof as stipulated in the governing contract; and, (y) if the governing agreements so provide, in the capacity of Owner's agent for this purpose only, but in Manager's name, shall issue a bill of sale to such Lessee or bailee, as applicable, on an AS/IS WHERE/IS basis. Further, if title to the destroyed or total loss Container is not transferred to the Lessee or other bailee as aforesaid and the Container is redelivered to or recovered by Manager, Manager shall use good faith efforts to sell such Container for salvage on Owner's behalf to a third party on terms and conditions which are consistent with the sales market for used containers of similar type, age and condition in the geographic area in which such Container is located. Manager shall, within ten (10) business days of receipt of the sales proceeds of such Container from the obligee(s) thereof, remit to Owner, net of the fees due to Manager pursuant to Section 7(b)(i), if any, with respect thereto, the Net Proceeds from Sale or Disposition of such

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Container. Immediately upon receipt of the Net Proceeds from Sale or Disposition for any Container covered under this Section, Owner shall execute and deliver to Manager a bill of sale for such Container transferring title to such Container to Manager on an AS/IS WHERE/IS basis and warranting only good title thereto with respect to Owner and parties claiming by, through or under Owner.

(ii) In the event a Lessee exercises a purchase option in (a) Lease(s) covering any of the Containers with respect to such Containers, as of the date of the exercise of such option, Manager shall be entitled to sell the Containers subject to the purchase option to the Lessee thereof pursuant to the terms of the governing Lease(s) without further authorization from Owner. Manager shall invoice and collect the purchase option prices of the Containers from the Lessee thereof as stipulated in the governing Lease(s), and, in the capacity of Owner's agent for this purpose only, but in Manager's name, shall issue a bill of sale to such Lessee, on an AS/IS WHERE/IS basis. Manager shall, within ten (10) business days of receipt of the purchase option proceeds from the Lessee with respect to such Containers, remit to Owner, net of the fees due to Manager pursuant to Section 7(b)(i), if any, with respect thereto, the Net Proceeds from Sale or Disposition with respect to all such Containers covered by this subsection. Immediately upon receipt of the Net Proceeds from Sale or Disposition for any Container(s) covered under this subsection, Owner shall execute and deliver to Manager a bill of sale for such Container(s) transferring title to such Container(s) to Manager on an AS/IS WHERE/IS basis and warranting only good title thereto with respect to Owner and parties claiming by, through or under Owner. In the event Manager enters into Lease(s) of Containers containing purchase option(s) covering more *** of the aggregate number of Containers then under management hereunder, Manager will, upon request of Owner, transfer to Owner a sufficient number of Substitute Containers of similar Container Type and age as the Containers for which substitution is being made, so that after giving effect to all purchase options in Leases then covering the Containers currently under Manager's management, at least *** of the Containers are not subject to Leases containing purchase options. Upon receipt of Manager's bill of sale for the Substitute Containers, Owner will deliver to Manager a bill of sale covering the Containers for which such Substitute Containers have been substituted on an AS/IS WHERE/IS basis and warranting only good title thereto with respect to Owner and parties claiming by, through or under Owner.

(d) If Manager, acting in good faith, determines that any Container covered under this Agreement has reached the end of its useful life as an intermodal cargo container offered for lease, Manager shall, without further authorization from Owner, use good faith efforts to sell such Container on Owner's behalf to a third party on terms and conditions which are consistent with the sales market for used containers of similar type, age and condition in the geographic area in which such Container is located. Manager shall invoice and collect the sales proceeds with respect to such Container from the purchaser thereof and in the capacity of Owner's agent for this purpose only, but in Manager's name, shall issue a bill of sale to such purchaser on and AS IS/WHERE IS basis. Manager shall, within ten (10) business days of receipt of the sales proceeds from the purchaser with respect to such Container, remit to Owner, net of the fees due to Manager pursuant to Section 7(b)(i), if any, with respect thereto, the Net Proceeds from Sale or Disposition with respect to such Container. Immediately upon receipt of the Net Proceeds from Sale or Disposition for any Container covered under this subsection, Owner shall execute and deliver to Manager a bill of sale for such Container transferring title to such Container to Manager on an AS/IS WHERE/IS basis and warranting only good title thereto with respect to Owner and parties claiming by, through or under Owner.

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(e) Notwithstanding any other provision hereof, if any Container(s) (including for purposes of this Section only, Substitute Containers previously transferred by Manager to Owner) is/are subject to (a) Lease(s) at the time the original or any renewal term of this Agreement expires or at the time this Agreement is otherwise terminated pursuant to the termination provisions hereof, the provisions of this Agreement shall continue as to such Container(s) until such Containers have been returned by Manager to Owner or Owner's designated agent as provided in subsection (g) hereof; provided that: (i) if the Lease(s) covering any such Container(s) does/do not by its/their terms terminate or expire within one (1) year after this Agreement expires or is terminated as to such Containers, or (ii) any of such Containers remain subject to (a) Lease(s) on the first anniversary of the expiration or termination date of this Agreement as to such Containers, then Manager may substitute Substitute Container(s) for such Container(s) or pay to Owner the then applicable fair market value of the Container(s) then under Lease(s), as agreed between Owner and Manager.

(f) Notwithstanding the expiration of the original or any renewal term of this Agreement or termination hereof pursuant to the termination provisions of this Agreement, Manager shall continue to be obligated to collect all sums (including, but not limited to, insurance proceeds and Lessee indemnity payments payable in connection with any damage to or loss or destruction of any Containers covered hereunder), and to arrange, (for Owner's account) for payment of all expenses, taxes and other charges with respect to such Containers due for or with respect to such Containers for such time periods as Manager is responsible for them pursuant to the terms of this Agreement. All Operating Expenses will continue to be borne by Owner for so long as Manager has any responsibilities for or with respect to any of the Containers pursuant to this subsection. Manager shall be entitled to its Management Fee and to all other fees due to Manager pursuant to the terms of this Agreement with respect to services performed as aforesaid until all of Manager's obligations under this Section are discharged.

(g) Manager shall cooperate with Owner upon expiration or earlier termination of this Agreement to effect an orderly transition of the management of the Containers to Owner or to such other entity as Owner requests. Manager agrees to relocate the Containers and Substitute Containers, as applicable, as they come off Lease in an orderly fashion to facilities designated by Owner, if such relocation is necessary. To the extent not payable by a Lessee, Owner shall bear all costs of transporting, relocating, redelivering and storing the Containers and Substitute Containers upon expiration or termination unless termination is due to an Event of Default (as defined in Section 12) by Manager, in which case such costs shall be borne by Manager.

(h) Upon expiration or earlier termination of this Agreement, Owner shall be obligated to remove all of Manager's marks, numbers, logos, and/or other markings from any Containers and/or Substitute Containers. At Owner's request and Owner's expense (unless this Agreement is terminated due to an Event of Default [as defined in Section 12] by Manager), Manager will remove its marks, numbers, logos and/or other markings prior to returning such Containers and/or Substitute Containers to Owner or its designated agent pursuant to the provisions of subsection (g) hereof.

5. Duties of Manager.

In consideration of the compensation to be paid to Manager by Owner pursuant to this Agreement, and subject to the agreement of Owner to make payments to Manager pursuant to this Agreement, Manager shall provide and perform, or cause its affiliate(s) to provide and perform (provided that in such case, Manager shall remain primarily responsible), on behalf of Owner the services set forth in this Section 5, which services shall be provided and performed during the term of this Agreement at a level or standard of care no less than the level or standard of care customarily applied by container lessors generally.

(a) In the event of a breach of any manufacturer's, subcontractor's, dealer's or other entity's warranty as to the condition, merchantability, fitness for a particular purpose, or otherwise with respect to any or all of the Containers, provided that Owner has specifically authorized in advance in writing the expenditure of all fees and expenses related thereto (including but not limited to legal expenses), Manager agrees to pursue all reasonable actions on Owner's behalf against said warrantors at Owner's expense. Manager makes no independent representations or warranties to Owner with respect to the condition, merchantability, fitness for any particular purpose with respect to any such Containers and shall have no liability to Owner for any breach of any manufacturer's, subcontractor's, dealer's or other entity's warranty with respect thereto.

(b) Use good faith efforts throughout the term of this Agreement to lease the Containers to oceangoing shipping lines or other Lessees as reasonably determined by Manager in accordance with its standard credit and collection policies and procedures which Manager normally uses with respect to other containers in Manager's Fleet, and to manage Owner's Fleet on a non-discriminatory basis in relation to the other containers in Manager's Fleet, with respect to lease-outs, cash receipts, operating expenses, and other management services. In that regard, on a non-discriminatory basis relative to other containers in Manager's Fleet, Manager will use its best efforts to avoid leasing all of Owner's Fleet to one shipping line.

(c) Use good faith efforts to collect from Lessees, in accordance with the terms of any Lease, all rental payments and all other amounts due with respect to the Containers under any Leases and account for and remit those sums due to Owner as hereinafter provided. Notwithstanding the foregoing, Manager shall not be required to institute legal action to collect any sums due to Owner as aforesaid unless: (i) Manager determines to take such action to enforce such Leases with respect to *** covered by such Leases under which the Lessees have defaulted in their payment obligations to Manager and/or to Owner, or (ii) Containers constitute at least *** covered by such defaulted Lease(s), and Owner agrees to indemnify Manager with respect to such enforcement action (including with respect to claims, losses and liabilities asserted by the owners of any of the other containers in Manager's Fleet covered by such defaulted Lease(s) including Manager itself) and to *** associated therewith including the reasonable cost of the time of Manager's employees spent on such enforcement proceedings. *** incurred by Manager with respect to enforcement proceedings under subclause (i) shall be allocated proportionally based on the number of Containers included among the containers in Manager's Fleet covered by such defaulted Leases, and Owner's pro rata share thereof shall be deemed to be Operating Expenses

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for purposes of this Agreement. The costs and expenses incurred by Manager with respect to enforcement proceedings under subclause (ii) shall be wholly for Owner's account and shall be deemed to be Operating Expenses for purposes of this Agreement upon Owner's authorization to undertake such proceedings. With respect to enforcement proceedings undertaken by Manager pursuant to this subsection, Manager agrees to consult with Owner in each case in which the claims relating to Containers under such defaulted Lease can reasonably be expected to exceed *** and/or the costs relating to Containers under such defaulted Lease can reasonably be expected to exceed *** Manager further agrees to be guided in the conduct of such proceedings by the opinion of the majority in interest of all owners of containers (including the Containers) affected by such defaulted Lease, including for this purpose, Manager's vote as owner with respect to the containers it owns for its own account.

(d) Take such steps as may be required to ensure that all obligations and duties arising under the Leases, whether of Lessees or Manager, are performed or complied with in an orderly and timely fashion; and terminate Leases under which the Lessees are in material default and recover possession of the Containers and enforce all rights of Manager and/or Owner with respect thereto, including the payment of all amounts owing under Leases or otherwise with respect to such Containers, institute and prosecute legal proceedings in the name of Owner and/or Manager as permitted by applicable laws in order to terminate such Leases and/or recover possession of the Containers and settle, compromise and/or release such proceedings or reinstate such Leases. Provided, however, that Manager may not settle any counter-claims filed against Owner without first receiving Owner's written consent. Except as otherwise specifically provided in subsection (c) above, in determining what action to take, and 'in performing its duties under this subsection, Manager shall be entitled to follow its standard credit and collection policies and procedures which Manager normally uses with respect to other containers in Manager's Fleet. All costs and expenses incurred by Manager in performing the foregoing shall be allocated based on the number of Containers included among the containers covered by such defaulted Leases, and Owner's share of such costs and expenses with respect to the Containers shall be deemed to be Operating Expenses for purposes of this Agreement.

(e) Cause all Containers to be maintained and repaired in the ordinary course of Manager's business in good and safe operating condition and cause said Containers to be periodically inspected.

(f) Place and use its best efforts to maintain in effect on an "occurrence basis," if available on commercially reasonable terms, throughout the term of this Agreement in Manager's name a blanket insurance policy(s) covering the Containers, or an insurance policy covering all the containers in Manager's Fleet including the Containers, under which Owner (and Owner's lender(s) if applicable) will be named as additional insureds and loss payees, and including coverage which is at least as broad in scope and as great in amount as the coverage provided by Manager for other containers of the same Type(s) in Manager's Fleet and coverage which is generally comparable to industry practices. Attached hereto, made a part hereof and marked, "Exhibit B," is/are (a) certificate(s) of insurance which describes the coverage which Manager has in effect on Manager's Fleet at the time of the execution of this Agreement which coverage will be extended to all Containers upon acquisition by Owner. Manager shall provide an executed original of such certificate to Owner and Owner's Agent upon execution of this

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Agreement and shall continue to provide to Owner and Owner's Agent (and to Owner's lender(s) if applicable) renewal certificate(s) evidencing the coverages required herein prior to the expiration of the certificate(s) in existence at the time of the execution of this Agreement. All such certificates shall provide that the insurer shall give Owner and Owner's Agent at least 30 days prior written notice of any cancellation or material modification of the coverage. Manager shall have the right to change its existing insurance coverage on the containers in Manager's Fleet if in Manager's reasonable and good faith judgment such change is required due to changing costs for insurance or changing industry practices. Manager agrees to notify Owner at least 30 days in advance of any such contemplated changes in insurance coverage. If Owner wishes insurance coverage which is broader in scope and/or greater in amount than that purchased by Manager for the containers in Manager's Fleet, then Manager will cooperate in arranging such additional coverage and Owner shall pay the incremental cost thereof. Manager will use good faith efforts to insure the Containers at their respective Stipulated Loss Values as those values vary from time to time. If Manager is unable (within the parameters set forth herein) to obtain property loss and damage coverage for the Containers which values the Containers at their respective Stipulated Loss Values as those values vary from time to time, Manager will immediately notify Owners Agent so that Owner may attempt to obtain (at Owner's sole cost) supplemental coverage for the Containers if Owner so elects.

(g) On behalf of Owner pay all Operating Expenses including charges, assessments, and levies imposed upon or against the Containers other than charges, assessments or levies payable by and chargeable to any Lessee under any Lease or otherwise, of whatever kind or nature and, in Manager's reasonable discretion, defend against any such charges, assessments or levies and seek revision or appeal from any charge, assessment or levy deemed improper, all such actions to be in the name of Manager or Owner or both as Manager determines in its reasonable discretion, and brought on behalf of Owner and at the expense of Owner. Provided, however, if Manager brings an action the outcome of which will directly affect containers in Manager's Fleet owned by entities other than Owner, Owner's responsibility for costs incurred in such actions shall be shared proportionally with the other owners on the basis of the number of affected Containers to all affected containers in Manager's Fleet. If Owner chooses to utilize the Containers as collateral for debt financing purposes at any time while such Containers remain covered by this Agreement, Owner shall pay all sums due with respect to such financing ("Debt Capital") in full in a timely manner, and shall indemnify Manager and any Lessee's of the Containers from the consequences of any failure by Owner to remain in compliance with the terms of such Debt Capital.

(h) Monitor and record status and/or location and movement of the Containers and make such records available for inspection by Owner or Owner's Agent during reasonable business hours and after reasonable notice, and allow Owner and Owner's Agent to make photocopies thereof. Make available to Owner and Owner's Agent for discussion and questions such of Manager's employees as reasonably requested by Owner or Owner's Agent during reasonable business hours.

(i) Maintain or have maintained complete and accurate books and records indicating by serial number the ownership of each Container and of transactions relating to the Containers and retain such books and records in accordance with Manager's normal records retention policies, and will make such books and records available for inspection by Owner or Owner's Agent during reasonable business hours and after reasonable notice, and allow Owner or Owner's Agent to make photocopies thereof.

(j) As soon as reasonably practicable, place decals, plates and/or such other marks, legends, or decals on the Containers to indicate that such Containers are owned by Owner and that they may be subject to a security interest in favor of one or more financial institutions. Manager may also label the Containers with all of its customary labels, marks and decals and/or to indicate that they are managed by Manager. The cost of placing all such marks, legends or decals on the Containers shall be included in the Per Container Price and Total Invoice Price paid by Owner.

(k) Advise Owner with respect to the sale of any Containers and, upon request of Owner, cooperate with Owner to use good faith efforts in securing a purchaser for such Containers; provided, however, that except as expressly provided in Section 4(c), 4(d), 7, and Section 13 hereof, Manager shall not have any authority to offer for sale, contract or agree to sell, or sell any of the Containers.

(l) Upon removal of any Container from coverage under this Agreement pursuant to Section 13(a)(ii), unless such Container is sold or disposed of by Manager on behalf of Owner in accordance with Section 13(a)(ii), arrange as promptly as possible for the transportation of such Container, at Owner's expense, in an "as is" condition to such destination as requested by the Owner.

(m) Subject to Section 13, cause Capital Improvements to be made to the Containers.

(n) Concurrently with the monthly payment of Owner's Net Distribution required under Section 9 of this Agreement, remit into Owner's Account the amount of Net Proceeds from Sale or Disposition of Containers accrued during such time period, and notify Owner's Agent of the date and amount of such payment.

(o) Should Owner decide to utilize the Containers as collateral for the purpose of raising Debt Capital, Manager will cooperate with Owner with respect to Owner's negotiation and documentation of Owner's Debt Capital, provided that Manager shall not have any responsibility for arranging Owner's Debt Capital, and further provided that Manager's reasonable out-of-pocket costs with respect thereto will be reimbursed by Owner on demand.

(p) Except for: (i) any security interest granted- by Owner with respect to Owner's Containers, (ii) the rights of Manager under this Agreement; (iii) the rights of the Lessees under the Leases; not create or suffer to exist any lien, security interest, mortgage or other encumbrance in or on the Containers or any component thereof other than Permitted Liens, or permit the Containers to be or become subject to any lien, security interest, mortgage, or other encumbrance other than Permitted Liens.

(q) Provide such advice and perform such services incidental to the management of the Containers as may from time to time be reasonably requested in writing by Owner.

6. Authority of Manager; Relationship of Manager and Owner.

(a) It is recognized that Manager will act as agent for Owner and for owners of other containers in Manager's Fleet which are substantially identical to the Containers as well as principal with respect to containers in Manager's Fleet owned by Manager. It is recognized that Manager will receive from owners of other containers in Manager's Fleet compensation which may or may not be equivalent to that payable by Owner hereunder. It is recognized and agreed that Manager's services for, and its obligations and rights with respect to, Owner and the owners of other containers in Manager's Fleet are several. It is expressly understood herein that any actions taken on behalf of Owner and/or other owners of containers in Manager's Fleet will be taken as agent for Owner and for such other owners, severally and individually. The Parties expressly recognize and acknowledge that this Agreement is not intended to create a partnership, joint venture or other entity among Owner, other owners of containers in Manager's Fleet and/or Manager, and, with respect to any sharing of costs or benefits among Manager, Owner and owners of other containers managed by Manager, is intended only to provide a sharing of certain operating expenses enumerated in this Agreement which are most accurately accounted for on the basis of Manager's entire Fleet, which expenses are then allocated pro rata among the owners of all the containers in Manager's Fleet, including the Containers. Under no circumstances may this Agreement be interpreted to provide for a sharing of benefits between Owner and the owners of other containers managed by Manager.

(b) Manager acknowledges that, except with respect to the obligations of Owner to make the payments of the fees and expenses set forth in this Agreement, Manager shall have no property interest in any funds generated by, or in connection with, the operation of the Containers. In order to further evidence the relationship between Manager and Owner created by this Agreement, Manager agrees with Owner as follows:

(i) Notwithstanding that the Owner's Containers will be included in the Manager's Fleet, Manager shall not have any right, title or interest in such Containers except as expressly provided herein and in the conduct of its business Manager will not hold itself out as the owner of such Containers nor take any action which would be inconsistent with the ownership of such Containers by Owner or which would otherwise be inconsistent with, or outside the scope of, the agency created under this Agreement;

(ii) All funds received from or for the account of Owner or with respect to Owner's Containers will be applied as expressly provided for in this Agreement; and

(iii) Owner's Containers shall not be classified as an asset of Manager or any of its affiliates in any accounting records, financial statements or income tax returns although this Agreement and the fees and other payments due Manager hereunder may be so classified.

7. Fees to Manager.

(a) **Management Fee.** Each month during the term hereof, Manager shall earn a Management Fee which shall be estimated monthly in accordance with subsection (ii) below and recomputed on a final quarterly basis in accordance with subsection (iii) below.

(i) Manager shall be entitled to a Management Fee for all Containers, paid monthly and adjusted quarterly on a *** basis, using the actual number of calendar days in the month or quarter for which the Management Fee is payable. The Management Fee may not fall below the indicated Management Fee Floor nor may it rise above the indicated Management Fee Ceiling. Any Management Fee that would have been paid but for the operation of the Management Fee Ceiling, wholly or partially, for any quarter shall not be carried over to or paid ***.

(ii) The monthly Management Fee shall be estimated as follows: If the average *** generated by all the Containers for a particular month is ***, the Management Fee for that month shall be *** (the "Management Fee Floor") of the total dollar amount of NOI produced by Owner's Fleet during that month. If the *** generated by all the Containers for a particular month is ***, the Management Fee for that month shall be *** (the "Management Fee Ceiling") of the total dollar amount of NOI produced by Owner's Fleet during that month. If the *** generated by all the Containers for a particular month is *** ***, the Management Fee for that month shall be *** (on the basis of linear interpolation) between the Management Fee Floor and the Management Fee Ceiling.

(iii) Within forty-five (45) days after the end of each calendar quarter, the Manager shall recompute on an aggregated basis, the *** generated by *** covered by this Agreement and/or the Initial Management Agreement during that quarter. If the *** generated by all the Containers for that quarter is ***, the Management Fee for that quarter shall be *** (the "Management Fee Floor") of the total dollar amount of NOI produced by Owner's Fleet during that quarter. If the *** generated by all the Containers for that quarter is ***, the Management Fee for that quarter shall be *** (the "Management Fee Ceiling") of the total dollar amount of NOI produced by Owner's Fleet during that quarter. If the *** generated by all the Containers for that quarter is ***, the Management Fee for that quarter shall be *** (on the basis of linear interpolation) between the Management Fee Floor and the Management Fee Ceiling. If the quarterly Management Fee so recomputed is *** the dollar amount of the total of the ***, the Manager will make an *** to the final calculation of Owner's Net Distribution for such quarter made in accordance with Section 9(b) so that the *** paid will equal the quarterly Management Fee so recomputed. If the quarterly Management Fee so recomputed is *** the dollar amount of the total of the ***, the Manager will make a *** to the final calculation of Owner's Net Distribution for such quarter made in accordance with Section 9(b) so that the *** paid will equal the quarterly Management Fee so recomputed. Any adjustment to the quarterly Management Fee required by this subsection shall be implemented by adjusting ***, as applicable in each month during the following quarter until such adjustment has been fully implemented, or, if insufficient Management Fees or Net Distributions, as applicable, are generated during the following quarter to implement the adjustment required hereunder, the party which has received the overpayment shall remit in cash or cash equivalents, the outstanding balance due the other party at the end of the following quarter.

[***] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

(b) Incentive Disposition, Termination and Resale Fees.

(i) In the case of the sale by Manager of any Container pursuant to subsections 4(c)(i), 4(c)(ii), and/or 4(d) hereof, Owner shall, with respect to each Container as aforesaid, pay to Manager an incentive fee (the "Incentive Disposition Fee") equal to *** of the amount (if any) by which the Net Proceeds of Sale or Disposition of each such Container exceeds its Stipulated Loss Value calculated as of the date of sale thereof in accordance with, the formula contained in Exhibit C hereto.

(ii) Upon termination of this Agreement as to any Container(s) as a result of Section 12(a)(ii) and upon expiration of this Agreement at the end of the original or any renewal term hereof with respect to all Containers then covered by this Agreement, if Owner does not appoint Manager as Owner's Agent for the sale of such Containers, Owner shall, with respect to each Container as aforesaid, pay to Manager a termination fee (the "Termination Fee") equal to the lesser of: (i) \$***, or (ii) *** received as a result of the sale of each such Container. For purposes of this section Net Sale Proceeds shall be defined as the gross sale proceeds received by Owner as a result of the sale of any Container(s) covered hereunder less all costs of such sale(s) (such as relocation, repair and remarking costs, but excluding any resale fees payable to any third party with respect to such sale(s).)

(iii) If Owner desires to appoint Manager as Owner's sales agent with respect to the disposition of Containers pursuant to Section 13 (a) (ii) and/or at the expiration of the original or any renewal term of this Agreement, Owner and Manager will in good faith negotiate a separate agreement with respect thereto ("Resale Agreement(s)") pursuant to which Manager will receive a Termination Fee of *** per Container plus such other compensation for resale services with respect to the Containers covered thereby as is agreed by Owner and Manager.

(iv) Manager shall be entitled to deduct Fees due to Manager pursuant to subsections (i) and/or (iii) hereof from: (p) the Net Proceeds from Sale or Disposition of any Containers sold by Manager on Owner's behalf pursuant to Sections 4(c) and 4(d); and (q) the sales proceeds from any Containers sold by Manager on Owner's behalf pursuant to the Resale Agreement(s). Further, with respect to Fees due to Manager pursuant to subsection (ii) hereof, Manager shall submit to Owner its invoice for Fees due within thirty days of returning such Containers to Owner or to Owner's designated agent, and Owner shall pay such invoice within ten working days of receipt thereof.

8. Terms & Condition of Leases and other Agreements Affecting Containers.

(a) In negotiating Leases and/or other agreements governing groups of containers, some of which may be Containers, Manager will negotiate, on a non-discriminatory basis, terms and conditions which are consistent with the commercial and standard Lease and/or other contractual terms and conditions which Manager uses with respect to all other containers in Manager's Fleet. Attached hereto as Exhibit D are true and correct copies of Manager's standard Lease forms. Manager agrees to notify Owner if said forms of Lease are materially modified with respect to any Lease covering Containers.

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(b) Without limiting the foregoing, Manager shall provide that the depreciated replacement value formulas set forth in each Lease of a Container, or the loss value formula in any other agreement governing containers, as applicable, will yield an amount which is equal to or greater than the then applicable Stipulated Loss Value for the Containers calculated. in accordance with Exhibit C to this Agreement.

(c) Notwithstanding the other provisions of this subsection, Manager will not be deemed to be in breach of this Agreement if the loss value formula in any contract or other agreement affecting containers (including the Containers) is set by statute or other governing regulatory enactment at a value less than the then applicable Stipulated Loss Value of any of the Containers covered thereunder.

9. Owner's Account: Remittance to Owner: Payment of Certain Costs: Withholding Tax.

(a) Owner's Net Distribution for each month of the term of this Agreement shall be deposited by Manager by wire transfer or direct deposit into the Owner's Account, as defined in Section 2. It is specifically understood that Manager is acting as Owner's agent for collection of the Revenues generated by Owner's Fleet and that Manager is required to turn over those Revenues, less Operating Expenses and Management Fees withheld, to Owner's Account at the times set forth in subsection 9(b).

(b) In remitting Owner's monthly Net Distribution to Owner's Account on an ongoing basis, the Parties understand that Manager may not have in its possession all invoices and other data necessary to calculate with complete accuracy the amount of the Owner's Net Distribution for that month. Accordingly, Manager shall remit by wire transfer to Owner's Account, within sixty days following the final business day of each month, an estimated amount of Owner's Net Distribution for such month, it being understood that except for the first three months during the term hereof, an amount equal to *** for the previous quarter is a reasonable estimate of Owner's monthly Net Distribution. No later than forty-five days following the end of the calendar quarter, Manager shall provide Owner with an adjusted calculations of the Net Distribution for the preceding quarter, computer on a quarterly basis. Further, Manager shall, in accordance with Section 7(a)(iii), make the appropriate adjustments to future monthly Net Distributions to Owner, and/or Manager or Owner shall make such payments, as are necessary to implement the adjustments for such quarter as to recalculated.

(c)

(i) If the Manager is required by law to (i) pay any assessments, levies, tax and/or penalties imposed upon or against the Containers and/or this Agreement and/or any sums payable to Manager or Owner hereunder (other than taxes imposed on Manager's net income and sums chargeable to and paid by any Lessee under any Lease or otherwise), or (ii) to make any deduction or withholding on account of any tax, levy, penalty or assessment from any sum payable to the Owner hereunder, Owner shall upon receipt of details of such payments made by

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Manager pursuant to clause (i) above, pay to Manager such additional amount as is necessary to ensure that, after making any payment(s), deduction(s) or withholding(s) as may apply thereto, Manager shall receive and retain (free of any liability in respect of any payment, deduction or withholding other than any liability in respect of any tax imposed on- Manager by any country or political subdivision of which Manager is a domiciliary, resident or citizen which is based on or measured by Manager's net income) a net sum equal to what it would have received and so retained hereunder had no such deduction, withholding or payment been required to have been made. Manager agrees to execute and deliver all such documents and instruments, and to take all such action, as Owner shall reasonably request to minimize amounts to be withheld pursuant to such withholding requirement or to exempt amounts from such withholding requirement and to effect any necessary compliance with any such withholding requirement.

(ii) Owner certifies to Manager that Owner is entitled to receive payments under this Agreement without deduction or withholding for United Stated Federal Income Tax or any income tax imposed by any state or other jurisdiction and agrees to provide Manager with all forms which Manager reasonably requests to file with the appropriate taxing authorities to document such exemption. If for any reason Owner is not entitled to any exemption or fails to provide Manager with the above-described forms, Owner hereby authorizes Manager to withhold taxes from amounts otherwise distributable to Owner and to make tax payments on Owner's behalf as required by applicable law, and Manager shall promptly provide to Owner a certificate of payment with respect to such withholding tax paid by Manager on Owner's behalf.

(d) Manager shall promptly notify Owner's Agent in writing, by FAX, or otherwise, of the date and amount of each wire transfer made to Owner's Account.

10. Indemnification.

(a) OWNER SHALL DEFEND, INDEMNIFY AND HOLD MANAGER HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, ACTIONS, DAMAGES, EXPENSES, LOSSES OR LIABILITIES (INCLUDING REASONABLE ATTORNEYS' FEES) INCURRED BY OR ASSERTED AGAINST MANAGER AS A RESULT OF THE OWNERS PERFORMANCE OR NONPERFORMANCE OF ANY OF ITS OBLIGATIONS HEREUNDER OR THE USE, MANAGEMENT, OPERATION, POSSESSION, CONTROL, MAINTENANCE OR REPAIR OF THE CONTAINERS; PROVIDED, HOWEVER, THAT THE FOREGOING INDEMNITY SHALL NOT APPLY TO ANY CLAIM, ACTION, DAMAGE, EXPENSE, LOSS OR LIABILITY TO THE EXTENT DIRECTLY OR INDIRECTLY CAUSED BY OR ARISING FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF MANAGER OR MANAGER'S BREACH OF THIS AGREEMENT OR DEFAULT BY MANAGER IN THE PERFORMANCE OF ITS RESPONSIBILITIES UNDER THIS AGREEMENT, OR ANY MISREPRESENTATION OF MANAGER. THE INDEMNITY DESCRIBED IN THIS PARAGRAPH SHALL NOT INCLUDE INDEMNIFICATION FOR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOST PROFITS OR SIMILAR CLAIMS ARISING UNDER ANY LEGAL THEORY WHATSOEVER, WHETHER TORT OR CONTRACT, IN LAW OR IN EQUITY.

(b) MANAGER SHALL DEFEND, INDEMNIFY AND HOLD OWNER HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, ACTIONS, DAMAGES,

EXPENSES, LOSSES OR LIABILITIES (INCLUDING REASONABLE ATTORNEYS' FEES) INCURRED BY OR ASSERTED AGAINST OWNER AS A RESULT OF MANAGER'S NEGLIGENCE OR WILLFUL MISCONDUCT OR A BREACH BY MANAGER OF THIS AGREEMENT OR DEFAULT BY MANAGER IN THE PERFORMANCE OF ITS RESPONSIBILITIES UNDER THIS AGREEMENT, INCLUDING ANY LOSS OR DAMAGE INCURRED BY OWNER AS A DIRECT OR INDIRECT RESULT OF OR ARISING OUT OF ANY MISREPRESENTATION OF MANAGER. THE INDEMNITY DESCRIBED IN THIS PARAGRAPH SHALL NOT INCLUDE INDEMNIFICATION FOR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOST PROFITS OR SIMILAR CLAIMS ARISING UNDER ANY LEGAL THEORY WHATSOEVER, WHETHER TORT OR CONTRACT, IN LAW OR IN EQUITY.

(c) If any claim, action, damage, expense, loss or liability directly or indirectly arises as a result of the negligence, willful misconduct or breach of this Agreement or the default by both Owner and Manager, responsibility shall be apportioned based upon the degree to which each Party's negligence, willful misconduct or breach of this Agreement or default contributed to the ultimate claim, action, damage, expense, loss or liability.

(d) The indemnifications in favor of Owner and Manager provided for in this Section 10 shall survive the termination of this Agreement.

11. Reports.

(a) Within ten (10) days following the final business day of each month, Manager will submit to Owner's Agent a report showing Revenues for the previous month, Operating Expenses for the previous month, the estimated Management Fee due to Manager for the previous month, and the estimated Net Distribution to Owner due with respect to the previous month, calculated separately for each Pool of Containers and Original Containers then covered under this Agreement and/or the Initial Management Agreement. The report required hereunder shall precede the monthly remittance from Manager to Owner contemplated under Section 9(b) of this Agreement, and the figures contained therein shall be subject to adjustment pursuant to the quarterly adjustment provisions of subsection 9(b) of this Agreement.

(b) Not later than forty-five (45) days after the end of every calendar quarter, Manager will furnish to Owner's Agent at Manager's expense, a reconciliation of all the calculations included under Section 4(b), Section 7, and Section 9 with respect to accounts receivable and accounts payable balances at quarter-end for all Containers, and an unaudited statement of operations and operating statistics relative to Manager's compliance with Section 4(b)(i), all in form acceptable to Owner, said statement of operations and operating statistics to be with respect to the Containers and also with respect to all containers in Manager's Fleet of the same Container Types as the Containers, for such period and for all the preceding quarterly periods in the calendar year. The aforesaid reconciliations will be provided both on separate basis for each Pool of Containers and Original Containers then covered under this Agreement and/or the Initial Management Agreement and on an aggregated basis for all Pools of Containers and Original Containers then covered under this Agreement and/or the Initial Management Agreement.

(c) Not later than ninety (90) days after the close of each calendar year, Manager will deliver to Owner's Agent a report prepared by a firm of independent certified public accountants as to their review (which review will not constitute, and is not intended to be the equivalent of, an audit of the operations of Manager's Fleet), prepared (at the expense of Owner) with respect to accounts receivable and accounts payable balances at year-end for all Containers, of the operations of the Containers and the correctness of the computations made by Manager pursuant to Section 4(b), Section 7, and Section 9 for the immediately preceding calendar year and the conformity of the procedures followed by Manager in connection with such computations to the obligations and duties of Manager under this Agreement.

(d) Owner shall have the reasonable right to approve the selection of the firm of independent certified public accountants that prepare the review described in Section 11(c) above. The current firm used by Manager is KPMG Peat Marwick which Owner hereby approves. Further, if Owner wishes to have an audit instead of a review, Owner shall pay the incremental cost thereof, and Manager shall cooperate fully in said audit.

(e) If Owner should utilize the Containers as collateral for a Debt Financing, Manager will furnish to Owner's lender(s), if so requested by Owner, and to Owner and Owner's Agent on a monthly basis, such other information as Manager generally provides to owners of containers managed by it.

12. Events of Default.

(a) The occurrence of any of the following events shall be an event of default (an "Event of Default") under this Agreement:

(i) The failure of either Party to pay to the other any net amounts due within ten (10) days after any such amounts are due and payable under this Agreement or the Initial Management Agreement;

(ii) The breach by either Party of any material term, covenant or condition under this Agreement or the Initial Management Agreement, other than as specified in paragraph (i) above, which is not cured within thirty (30) days after written notice of such breach;

(iii) Any material representation or warranty made by Manager or Owner in this Agreement or the Initial Management Agreement shall prove to have been false in any material respect at the time made;

(iv) Failure by either Party to pay its debts generally as they become due, the filing by either Party of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors generally; or

(v) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency, or moratorium law against either Party that is not dismissed within ninety (90) days thereafter, or the appointment of any custodian, receiver, or trustee to take possession of the property of either Party unless such petition is set aside or withdrawn within ninety (90) days from the date of said filing or appointment.

(b) Upon the occurrence of any Event of Default by a Party under this Agreement and in addition to any other remedies provided under applicable law, the other Party may, at its option, terminate this Agreement upon delivery to the defaulting Party of notice of such termination and/or pursue any other remedies available at law or equity.

(c) Upon termination of this Agreement because of default by Manager under this Section 12, Manager shall cooperate with Owner regarding the orderly transition of the management of the Containers pursuant to Section 4(g). If this Agreement is terminated by Owner as a result of a breach hereof by Manager as aforesaid, the rights of the Lessees under any then existing Leases of the Containers shall not be affected by termination of this Agreement so long as such Lessees remain in compliance with the terms of such Leases. In the latter circumstances Manager agrees to use its best efforts to ensure that an orderly transition of responsibility for the Containers shall be made in accordance with Owner's directions and in a manner which will not disturb the rights of such Lessees, including, but not limited to, transferring to Owner suitable Substitute Containers in place of such on-Lease Containers.

13. Capital Improvements.

(a) If it is necessary in Manager's reasonable opinion to make Capital Improvements to any or all of the Containers, Owner shall, within fifteen (15) days of notice from Manager of the estimated cost of such Capital Improvements either:

(ii) agree to pay for the cost of such Capital Improvements to any or all of such Containers; or

(iii) refuse to pay for the cost of such improvements to any or all of such Containers, in which case such Containers to which the recommended Capital Improvements are not made will cease to be covered by this Agreement as of the date Manager receives Owner's written refusal to pay for the requested Capital Improvements. Owner will then have the option of selling any and all such Containers or of appointing Manager to sell or otherwise dispose of such Containers on such terms and conditions as are consistent with the sales market for used containers of similar type, age and condition in the geographic area in which such Container(s) is/are located.

Notwithstanding the foregoing, if the Capital Improvements requested by Manager are required to bring such Containers into conformity with any changes in applicable governmental regulations or industry standards applying to containers in general, Owner agrees that the requested Capital Improvement will be made at Owner's expense to any of the Containers which are at the time of request and can reasonably be expected to remain on Lease to Lessees on the effective date(s) of such change(s) in regulations or standards, although Owner may elect the option contained in (ii) above with respect to any of the Containers which can reasonably be expected to be off Lease on the effective date(s) of such change(s) in regulations or standards.

(b) The cost of any Capital Improvement made to any of the Containers is acknowledged to be the responsibility of Owner. In connection therewith, any payments, including, without limitation, insurance proceeds or indemnity payments from Lessees (which shall not constitute Revenues hereunder and which shall be paid directly to Owner without

deduction) received to cover any of the foregoing shall be first used to pay for any of the foregoing. If pursuant to Section 13(a)(i) Owner has agreed to pay for the cost of Capital Improvements, Manager shall have the right to require Owner to pay to Manager upon fifteen (15) days prior notice and demand the cost as invoiced for any Capital Improvement not otherwise paid for, as aforesaid, and Manager shall apply such payments to accomplish the same.

14. Representations and Warranties.

(a) Manager. Manager represents and warrants to Owner that the following representations and warranties are true and correct on the date Manager executes this Agreement and on each date that Manager sells Containers to Owner and/or executes as Addendum to this Agreement to include an incremental Group of Containers hereunder:

(i) Manager is a corporation duly formed and validly existing under the laws of Nevada, has the power and authority and legal right to carry on its business as now, and as proposed to be, conducted and is duly qualified to do business in such other jurisdictions in the United States in which the failure to so qualify would materially adversely affect its ability to lease and operate the containers in Manager's Fleet or to perform its obligations with respect to such containers.

(ii) This Agreement has been duly authorized by Manager, and has been duly executed and delivered by Manager, and, assuming due authorization, execution and delivery thereof by Owner, constitutes or will then constitute valid, legal and binding agreements of Manager, enforceable against Manager in accordance with its terms.

(iii) The execution and delivery by Manager of this Agreement and Manager's compliance with all of the provisions of this Agreement are within the powers of Manager, will not conflict with or result in a breach of any presently existing law or governmental rule or regulation or any presently existing order, writ, injunction or decree of any court or governmental authority against Manager or by which it or any of its properties is bound and will not conflict with, result in any breach of any of the provisions of, constitute a default under, or result in the creation of any lien upon any property of Manager under the provisions of, any corporate charter or other organic instrument of Manager or any bond, debenture, note, mortgage, indenture, deed of trust, agreement or other instrument to which Manager is a party or by which it may be bound or to which any of its property (whether owned or leased) may be subject; or in such instances in which the execution and delivery by Manager of this Agreement and Manager's compliance with the terms hereof would conflict with or result in a breach of any material agreement or contract by which Manager is bound, appropriate consents and/or waivers will have been obtained prior to the execution hereof by Manager.

(iv) No authorization or approval from, consent of, or filing, registration or qualification with, any governmental or public body or authority, except as has been obtained or made or will be obtained or made in the ordinary course of Manager's container leasing business, is necessary for the execution or delivery by Manager of this Agreement, the validity of this Agreement or the holding under lease or operation and leasing of the containers in Manager's Fleet by Manager.

(v) Except to the extent that (A) the same are being contested in good faith and by appropriate proceedings in such manner so as not to cause any materially adverse effect upon the financial condition of Manager or the loss of any right of redemption from any sale thereunder, or the rights of Owner in, or Owner's title to, Owner's Containers; or (B) Manager shall have set aside on its books reserves as required by, and in accordance with, generally accepted accounting principles, (I) there are no material tax liabilities of Manager due or to become due for any tax year ended on or prior to the date of Manager's most recent annual audited financial statements provided to Owner whether incurred in respect of or measured by the income of Manager prior to such date, which are not properly reflected in such financial statements or for which Manager is not entitled to appropriate indemnities from a party not an affiliate of Manager, (II) there are no material claims pending or, to the knowledge of Manager, proposed or threatened against Manager for past taxes, and (III) Manager has filed all domestic and foreign federal, state and material local income, sales, use and franchise tax returns required to be filed by it and has paid all taxes shown by such returns to be due and payable, and has filed all other tax returns, domestic or foreign, and paid all other taxes, reasonably believed by Manager to be required to be filed and to be due and payable, and there are no waivers or agreements by Manager for an extension of time for the assessment of any tax.

(vi) Manager (A) is not in violation of any material laws, ordinances or governmental rules or regulations (domestic or foreign) to which it is subject, and (B) has not failed to obtain or apply for any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its property or to the conduct of its business, which violation or failure to so obtain or apply would materially and adversely affect the business prospects or financial condition of Manager or the ability of Manager to perform its obligations under this Agreement or to lease and operate the containers in Manager's Fleet, except such as will be obtained or applied for in the ordinary course of Manager's container leasing business.

(vii) There are no suits or proceedings pending or, to the knowledge of Manager, threatened against Manager in any court or before any regulatory commission, board or other governmental administrative agency which if adversely determined would have a material adverse effect on the business or operations of Manager, financial or otherwise, or on its ability to fulfill its obligations under this Agreement or to lease and operate the containers in Manager's Fleet.

(viii) Neither this Agreement nor any other written statement furnished to Owner by Manager in connection with the transactions contemplated hereby contains any untrue statement of a material fact known to Manager or omits to state a material fact known to Manager necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading. All historical data and records presented by Manager to Owner in evaluating this transaction have been carefully prepared and do not to the best of Manager's knowledge misrepresent, or fail to omit, any material fact reasonably necessary to Owner to evaluate this transaction.

(ix) Since the date of Manager's most recent annual audited financial statements provided to Owner, there has not been any material adverse change in the contemplated business, operations, properties or financial condition of Manager.

(x) Manager's existing financing agreements exclude from the "Collateral" pledged by Manager to its banks any security interest in the Containers or the proceeds thereof, except to the extent that proceeds from management of the Containers under this Agreement constitute fees payable to and expenses reimbursable to Manager for providing services under this Agreement.

(b) Owner. Owner represents and warrants to Manager that the following are true and correct on the date Owner executes this Agreement and on each date that Owner purchases Containers from Manager and/or executes as Addendum to this Agreement to include an incremental Group of Containers hereunder:

(i) Owner is a corporation duly formed and validly existing under the laws of Switzerland, has the power and authority and legal right to carry on its business as now conducted, and is duly qualified to do business in such other jurisdictions in which the failure to so qualify would materially adversely affect its ability to perform under this Agreement.

(ii) This Agreement has been duly authorized by Owner, and has been duly executed and delivered by Owner, and, assuming due authorization, execution and delivery thereof by Manager, constitutes or will then constitute valid, legal and binding agreements of Owner, enforceable against Owner in accordance with its terms.

(iii) The execution and delivery by Owner of this Agreement and Owner's compliance with all of the provisions of this Agreement are within the powers of Owner, will not conflict with or result in a breach of any presently existing law or governmental rule or regulation or any presently existing order, writ, injunction or decree of any court or governmental authority against Owner or by which it or any of its properties is bound and will not conflict with, result in any breach of any of the provisions of, constitute a default under, or result in the creation of any lien upon any property of Owner (other than the rights of Manager under this Agreement and the rights of the Lessees under the Leases in effect from time to time) under the provisions of, any corporate charter or other organic instrument of Owner or any bond, debenture, note, mortgage, indenture, deed of trust, agreement or other instrument to which Owner is a party or by which it may be bound or to which any of its property (whether owned or leased) may be subject.

(iv) No authorization or approval from, consent of, or filing, registration or qualification with, any governmental or public body or authority, except as has been obtained or made or will be obtained or made in the ordinary course of Owner's business is necessary for the execution or delivery by Owner of this Agreement or the validity of this Agreement or the ownership and leasing of Owner's Containers by Owner.

(v) Owner (A) is not in violation of any material laws, ordinances or governmental rules or regulations (domestic or foreign) to which it is subject, and (B) has not failed to obtain or apply for any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its property or to the conduct of its business, which violation or failure to so obtain or apply would materially and adversely affect the business prospects or financial condition of Owner or the ability of Owner to perform its obligations under this Agreement or to own and operate the Containers, except such as will be obtained or applied for in the ordinary course of Owner's business.

(vi) There are no suits or proceedings pending or, to the knowledge of Owner, threatened against Owner in any court or before any regulatory commission, board or other governmental administrative agency which if adversely determined would have a material adverse effect on the business or operations of Owner, financial or otherwise, or on its ability to fulfill its obligations under this Agreement or to own or lease the Containers.

(vii) Neither this Agreement nor any other written statement furnished to Manager by Owner or Owner's Agent in connection with the transactions contemplated hereby contains any untrue statement of a material fact known to Owner or to Owner's Agent or omits to state a material fact known to Owner or to Owner's Agent necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading. All information presented by Owner and Owner's Agent to Manager for use in evaluating this transaction has been carefully prepared and does not to the best knowledge of Owner or Owner's Agent, misrepresent, or fail to omit, any material fact reasonably necessary to Manager to evaluate this transaction.

(viii) Owner has the financial resources necessary to purchase the Containers on the terms provided herein and to meet all financial commitments of Owner under this Agreement in full when and as due.

15. Notices.

Any notice, demand, request or other document which, under the terms of this Agreement or under any statute, must or may be given or made by Manager or Owner must be in writing, and shall be either personally delivered, or sent by telecopy, overnight courier, or certified or registered mail, return receipt requested, postage prepaid, and addressed to Manager, Owner or Owner's Agent at their addresses stated below. A copy of any notice sent to Owner must also be sent to Owner's Agent. Any notice so delivered or sent shall be deemed to be given on the day personally delivered or telecopied, on the day following the day sent by overnight courier, or on the third day following the day sent by certified or registered mail.

If to Manager:

Container Applications International, Inc.
Three Embarcadero Center
Suite 1850
San Francisco, Ca. 94111-3834
Attention: M. John Nishibori

If to Owner:

P & R Equipment & Finance Corporation
Industriestrasse 6
CH 6301 Zug
Switzerland

Attention: Heinz Roth

If to Owner's Agent:

Hakman Capital Corporation, Owner's Agent

1350 Old Bayshore Highway, Suite 300

Burlingame, CA 94010

Attention: Richard R. Heath

Either Party may change such address by notice given to the other Party in the manner set forth above.

16. Miscellaneous.

(a) This Agreement shall be governed by and construed under the internal laws of the State of California, U.S.A.

(b) This Agreement may be executed in counterparts, each of which shall be deemed an original, but together shall constitute one and the same instrument.

(c) Titles and headings of sections of this Agreement are for the convenience of reference only and do not form a part of this Agreement and shall not in any way affect the interpretation hereof. Defined terms shall include the singular or plural, as the case may be. All references to Sections and Subsections shall be to sections and subsections of this Agreement, except as otherwise specifically provided. The words "hereof," "herein," "hereto," and "hereunder" and words of similar purport when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(d) No modification or amendment to this Agreement shall be valid unless in writing and executed by both Parties.

(e) The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of each Party; provided, however, that no assignment hereof by any Party or transfer of any Party's rights hereunder, whether by operation of law or otherwise shall be valid or effective as against the other Party without the prior written consent of such other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Owner may, without the consent of the Manager, assign or transfer any or all of Owner's rights hereunder (i) to one or more entities affiliated with Owner; and (ii) to a lender to Owner if Owner should utilize the Containers as collateral for a Debt Financing subject in each instance to the prior execution by such transferee of a confidentiality agreement with Manager in form and substance reasonably acceptable to Manager. Furthermore, with the prior written consent of Owner, which shall not be unreasonably withheld, Manager may assign this Agreement to an affiliate of Manager, provided that such assignment is made at the same time as the assignment of all other management agreements between Manager and third party owners of other containers in Manager's Fleet, and further provided that Manager shall remain primarily responsible to Owner for the performance of Manager's obligations hereunder. Except upon expiration or earlier termination of this Agreement as provided in Sections 4, 12 and 13 hereof and in subparts (i) and (ii) above, and subject always to the other provisions of this Agreement

and to the rights of the Lessees under the Leases in effect from time to time with respect to the Containers, Owner shall not be entitled to sell any Container to any third party without the prior written consent of Manager, which consent shall not be unreasonably withheld. Nothing herein shall preclude a lender to Owner which holds a security interest in any or all of the Containers from exercising its rights against such collateral, subject always to the rights of the Manager hereunder and to the rights of the Lessees of such Containers under Leases thereof in effect from time to time.

(f) If any party fails to pay any amounts hereunder when due, such party shall pay interest on such amounts due (unless otherwise specifically provided by the terms of this Agreement) at a rate equal to the lesser of: (x) the then ***; or (y) the then ***.

(g) The waiver of any breach of any term or condition hereof by the non-defaulting party shall not be deemed a waiver of any other or subsequent breach, whether of like or different nature.

(h) If any term or provision of this Agreement or the performance thereof shall to any extent be invalid or unenforceable, such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Agreement, and the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(i) Any controversy or claim arising out of or relating to this Agreement or the breach thereof shall be settled by arbitration held in San Francisco, California in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Any such arbitration shall be conducted by a panel of three arbitrators, one nominated by each Party within thirty days of commencement of the arbitration, and the third, who shall be a lawyer admitted to practice in California, selected jointly by the two arbitrators nominated by the Parties, within ten days of the nomination of the arbitrator last chosen by a Party.

(j) The terms of this Agreement are intended by the Parties as a final expression of their agreement with respect to such terms as are included in this Agreement and may not be contradicted by evidence of any prior or contemporaneous agreement.

(k) If any legal action or any arbitration or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing Party, as determined by the judge or arbitrator, shall be entitled to recover from the other Party reasonable attorney fees and other costs reasonably required to prosecute and/or defend the legal action or arbitration, in addition to any other relief to which the prevailing Party is entitled.

(l) No rights or remedies afforded any Party hereunder upon the breach of any provision of this Agreement by the other Party are intended to be exclusive; and upon the breach of any provision of this Agreement by any Party, the other Party will be entitled to exercise any and all rights or remedies provided by applicable law or at equity or otherwise. Exercise of any one or more rights or remedies shall not preclude exercise of any other rights or remedies.

*****] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.**

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

MANAGER

CONTAINER APPLICATIONS INTERNATIONAL, INC.

By: _____

(Date)

Its: _____
(Title)

OWNER

P & R EQUIPMENT & FINANCE CORPORATION

By: _____

(Date)

Its: _____
(Title)

EXHIBIT A

Number of dry van and high cube container TEU's in Manager's
Fleet as of March 31, 1996

	<u>No. of Units</u>	<u>TEU's</u>
20' containers	***	***
40' containers	***	***
40 HC	***	***
Total	***	***

[*] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.**

EXHIBIT B

(Certificates of Insurance)



CERTIFICATE OF INSURANCE
Certificate Number 2

Container Applications International, Inc. (Insured)
655 Montgomery Street
Suite 1101
San Francisco, CA 94111-2630

Alexander & Alexander of California, Inc. (Broker)
333 Bush Street, Suite 600
San Francisco, CA 94104-2878

This is to certify that the policies of insurance listed below have been issued to the insured named above and are in force at this time. Notwithstanding any requirement, term or condition or any contract or other document with respect to which this confirmation may be issued, or pertain to, the insurance afforded by the policies described herein is subject to all terms, exclusions and conditions of such policies. This certificate is issued as a matter of information only and confers no right upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies listed below.

<u>Marine Equipment Coverages</u>				<u>Policy Number</u>		<u>Liability Limits</u>
(A) Physical Damage	60%	Royale Belge		J1B08744	\$2,000,000	Per Occurrence
9/1/95 -10/1/96	40%	St Paul Fire & Marine				
(B) Third Party Liability	100%	American International Group (Europe)		66002007	\$10,000,000	Per occurrence
5/1/95 -10/1/96	100%	Navigators Insurance Company		95L3029/41	\$10,000,000	Excess of \$10,000,000

Description of Operations/Locations/Vehicles/Special Items:

Regarding the marine/equipment coverages, the Certificate Holder is named as an Additional Insured & Loss Payee as its interests may appear as respects all containers/chassis/tanks/railcars and similar "equipment" owned or financed by the Certificate Holder and managed and/or leased by Container Applications International, Inc. and/or any subsidiary or affiliated company.

Cancellation: Should any of the above described policies be canceled before the expiration date thereof the issuing company will endeavor to mail 30 days written notice to the certificate holder named below, but failure to mail such written notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.



CERTIFICATE OF INSURANCE
Certificate Number 2

CERTIFICATE HOLDER:

P&R Equipment & Finance Corporation

AUTHORIZED REPRESENTATIVE

Alexander & Alexander of California, Inc.
08/02/96

EXHIBIT C

(Stipulated Loss Value Schedule for Containers)

Containers will depreciated from the Stipulated Loss Values for each Container Type as set forth below for each Group of Containers covered by this Agreement, on a straight line basis over one hundred thirty two months to a value no less *** of their original Stipulated Loss Values.

Initial Group of Containers

(Deliveries to be completed by June 30, 1996)

<u>Container Type</u>	<u>Stipulated Loss Value</u>
twenty foot dry vans	***
forty foot dry vans	***
forty foot high cubes	***

[*] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.**

EXHIBIT D

(Forms of Lease Contracts)



Container Applications International, Inc.
 655 Montgomery Street, Suite 1101
 San Francisco, CA 94111-2630
 Tel: (415) 788-0100 • Fax: (415) 788-3430

MASTER LEASE AGREEMENT

Container Applications International, Inc., 655 Montgomery Street, Suite 1101, San Francisco, California 94111-2630, U.S.A. ("CAI") hereby leases to _____ ("Lessee"), and Lessee hereby leases from CAI, the following Containers upon the terms and conditions set forth in this Master Lease Agreement, and in the addenda and schedules attached hereto, which shall collectively be referred to as the "Agreement".

Billing Code:

Billing Address: _____

Effective Date:

Expiration Date:

Minimum Lease Period:

<u>Equipment</u>	<u>Daily Rental Rate</u>	<u>Replacement Value</u>
20' Dry Containers	US\$	US\$
40' Dry Containers	US\$	US\$
40' High Cube Containers	US\$	US\$
20' Open Top Containers	US\$	US\$
40' Open Top Containers	US\$	US\$
40' Flat Rack Containers	US\$	US\$

Handling Charges: Per container outbound and per container inbound

20' Containers US\$
 40' Containers US\$

Direct Interchange Fee:

Wind-down Period: US\$

Post Wind-down Rates:

20' Dry Containers US\$
 40' Dry Containers US\$
 40' High Cube Containers US\$
 20' Open Top Containers US\$
 40' Open Top Containers US\$
 40' Flat Rack Containers US\$



Container Applications International, Inc.
655 Montgomery Street, Suite 1101
San Francisco, CA 94111-2630
Tel: (415) 788-0100 • Fax: (415) 788-3430

40' Open Top Containers US\$
40' Flat Rack Containers US\$

ATTACHMENTS INCORPORATED IN AND MADE A PART OF THIS AGREEMENT:

- 1) Exhibit A - CAI Standard Terms and Conditions. In the event of any conflict between Exhibit A and this Agreement, the latter shall prevail.
- 2) Exhibit B - Redelivery Schedule

The provisions set forth above constitute the "Cover Pages" referred to in Exhibit A attached hereto.

Agreed:

CONTAINER APPLICATIONS
INTERNATIONAL, INC.

LESSEE

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

EXHIBIT A

CAI CONTAINER APPLICATIONS INTERNATIONAL, INC.
STANDARD TERMS AND CONDITIONS OF LEASE

1. Term of Agreement. The term of this Agreement will commence on the Effective Date and will expire on the Expiration Date, each as set forth in the initial pages of this Agreement (hereinafter called the "Cover Pages.")
2. Container Supply. Unless the Cover Pages contain superseding supply provisions, CAI agrees to lease containers to Lessee during the term of this Agreement on an as available basis at any CAI depot or manufacturer's location. Execution by CAI or its agent and Lessee or Lessee's agent of CAI's Equipment Condition Report ("ECR") with respect to each container leased this Agreement will constitute conclusive proof of delivery of such container to Lessee, of redelivery of such container to CAI and of the physical condition of the container at the time of each such interchange. All containers supplied to Lessee under this Agreement will be referred to individually and collectively as "Containers."
3. Container Redelivery. Subject to any minimum lease period which may be specified in the Cover Pages, Lessee may redeliver Containers to the CAI depots listed in Exhibit B, with the monthly quantity limitations and with the drop-off charges shown therein. Unused monthly redelivery limits set forth in Exhibit B may not be carried forward into future months. Furthermore, Containers may be redelivered to depot locations or in numbers other than as shown in Exhibit B provided that such locations, quantities and applicable drop-off charges are mutually agreed upon in writing by CAI and Lessee prior to such exceptional redeliveries. CAI may amend Exhibit B on sixty (60) days prior written notice to Lessee.
4. Rental, Handling, Direct Interchange and Other Charges.
 - (a) Lessee agrees to pay rental charges for the Containers in the amounts set forth in the Cover Pages from the day each such Container is delivered and/or interchanged to Lessee until the later of: (i) the date each such Container is off-hired in accordance with the provisions of this Agreement or (ii) the expiration of the minimum rental period if any such minimum is specified under this Agreement for each such Container. Free-days, if any, will be applied against any applicable minimum lease term for Containers specifically subject thereto.
 - (b) Lessee will pay CAI handling-in and handling-out charges for each Container in the amounts specified in the Cover Pages.
 - (c) Provided that Lessee has received CAI's prior written consent thereto, Lessee may directly interchange CAI containers to or from another approved CAI lessee. Lessee shall pay CAI a direct interchange fee in the amount set forth in the Cover Pages for each Container interchanged to or from Lessee.
 - (d) All charges incurred in transferring the Containers at the time of lease-out and redelivery, including, but not limited to supplemental handling charges, transportation charges and chassis use fees, and all service charges imposed by any party other than CAI in connection with payments due to CAI under this Agreement, shall be for the account of Lessee.

Lessee Initials: _____

CAI Initials: _____

5. Invoicing and Payment.

- (a) All charges due to CAI for Containers covered under this Agreement will be invoiced to Lessee at the address for Lessee set forth in the Cover Pages. All such charges will be invoiced and paid to CAI in United States Dollars at the address for CAI shown in the Cover Pages. Unless otherwise specified in the Cover Pages, all charges due to CAI under this Agreement will be invoiced monthly in arrears.
- (b) Lessee agrees to pay all CAI invoices in full within thirty (30) days of invoice date unless the Cover Pages contain superseding payment terms. If any of CAI's invoice(s) is/are not paid when due, CAI may impose a service charge on the overdue sums at the rate of the lesser of eighteen (18) percent per annum or the maximum amount permitted by applicable law, until the balance is paid in full. Service charges arising under this Subsection will constitute additional rent due under this Agreement.
- (c) If Lessee disputes any charges on CAI's invoices, Lessee will provide CAI with a written explanation of the dispute, and will make payment in full of the charges as originally invoiced. In response, CAI San Francisco will, within sixty (60) days of receipt of Lessee's notice of dispute, either issue credits to Lessee, provide Lessee with verification of correct billing, or both. Lessee agrees not to withhold payment of any sums invoiced by CAI during the sixty (60) day response period so long as CAI has acknowledged receipt of the dispute notice.

6. Maintenance and Operation.

- (a) Lessee shall at its own expense maintain each Container in good, safe and efficient working order and keep it fully and properly repaired while it is covered by this Agreement. Lessee will operate the Containers in accordance with good operating practices and in compliance with all loading limitations, handling procedures, and operating instructions prescribed by the manufacturers of the Containers and by CAI, and will comply with all laws, regulations and orders which in any way affect the Containers or their use, operation or storage, including, but not limited to, current Regulations and Recommendations of the International Organization of Standardization.
- (b) CAI will deliver Containers to Lessee which fully comply with the rules and standards of the International Convention for Safe Containers ("CSC"), ISO, TIR and TCT. All Containers supplied by CAI to Lessee under this Agreement shall have CSC plates or CSC plates with an Approved Continuous Examination Program ("ACEP") mark. While the Containers are on lease to Lessee under this Agreement, Lessee will be responsible for compliance with CSC regulations with respect to ownership and operation of such Containers. Lessee will also comply with the Customs Conventions on Containers, 1956 and 1972 with respect to the Containers while they are on lease under this Agreement.
- (c) Lessee agrees not to remove or obliterate any markings (decals or plates) affixed to the Containers without CAI's prior written consent. Lessee may add supplementary markings to the Containers as required for Lessee's operations while the Containers are on lease under this Agreement, provided that such additional markings are removed and the surface of the Containers is restored prior to their redelivery to CAI.
- (d) Containers supplied by CAI to Lessee under this Agreement will be used exclusively in international trade unless their use in the domestic commerce of any sovereign nation is expressly permitted elsewhere in this Agreement.

Lessee Initials: _____

CAI Initials: _____

7. Container Loss and Damage; Off-hire.

Lessee is liable to CAI for all damage (except that caused by normal wear and deterioration) to or loss or destruction of the Containers while on lease to Lessee under this Agreement. If the turn-in ECR for any Container covered under this Agreement indicates no damage for Lessee's account, that Container be off-hired by CAI on the date of redelivery to the depot.

- (a) **Damage.** Upon redelivery of a Container to CAI's authorized depot, if the ECR shows the Container to be damaged in accordance with the repair standards of the Institute of International Container Lessors in effect at the time of redelivery, the depot shall promptly issue and forward to Lessee a repair estimate for the container. Lessee will have ten (10) working days from the date of redelivery (the "Authorization Period") to authorize the depot to proceed with repairs as shown on the repair estimate for Lessee's account. If authorization for the repairs is received within the Authorization Period, the Container shall be off-hired on its redelivery date. If authorization is not received within the Authorization Period, CAI reserves the right to continue billing daily rental charges through the date upon which the depot receives authorization to proceed with repairs as estimated for Lessee's account. Lessee or its local agent agrees to pay all repair charges as billed by CAI or its authorized depot within thirty (30) days of the date of the invoice therefor.
- (b) **Actual Total Loss.** In the event a Container is lost, stolen, destroyed, or damaged beyond structural or economic repair (an "Actual Total Loss"), Lessee will notify CAI in writing of the event of Actual Total. Provided Lessee is in compliance with its obligations under this Agreement at the time notice of Actual Total Loss is received by CAI, CAI will issue an invoice to Lessee for the Depreciated Replacement Value ("DRV") of the Actual Total Loss Container calculated in accordance with Subsection 7 (d). If payment of the DRV is received by CAI within 30 days of the invoice date, daily rental charges will retroactively terminate on the date of CAI's receipt of written notice of Actual Total Loss. If payment of the DRV is not received as aforesaid, daily rental charges shall continue to accrue until payment of the DRV is made in full. Upon receipt of payment of the DRV and written request from Lessee, title to the Actual Total Loss Container will be transferred to Lessee. Any taxes, duties or charges which become payable by virtue of the transfer of title to Lessee will be for Lessee's account.
- (c) **Constructive Total Loss.** If Lessee has redelivered a Container to CAI, and Lessee has received a damage estimate in accordance with Subsection 7(a), Lessee may, within the Authorization Period, authorize repairs in accordance with the estimate, or request that CAI supply details of the DRV for such Container. Provided that Lessee is in compliance with its obligations under this Agreement at the time Lessee's request for DRV information is received by CAI, CAI will provide the DRV for such Container. If the repair estimate for such Container exceeds the DRV for the Container ("Constructive Total Loss"), Lessee will have seven (7) calendar days from receipt of the DRV information to notify CAI that Lessee has chosen to treat the Container as a Constructive Total Loss. Upon receipt of Lessee's written election of Constructive Total Loss, CAI will issue an invoice for the DRV of the Container. Provided that payment of the DRV is received by CAI within thirty (30) days of the date of invoice therefor, daily rental charges for the Constructive Total Loss Container will terminate on the date it was redelivered to CAI's depot. If payment is not received as aforesaid daily rental charges on the Constructive Total Loss Container will continue to accrue until payment in full of

Lessee Initials: _____

CAI Initials: _____

the DRV is received by CAI. Unless otherwise elected by CAI, title to the Constructive Total Loss Container will remain with CAI.

- (d) The DRV of a Container is calculated by depreciating the Replacement Value of the Container (as set forth in the Cover Pages) on a straight line basis, using ***.
- (e) Notwithstanding the provisions of Subsections 7 (b) and (c), if Lessee is in default of its obligations under this Agreement, unless and until such default has been cured in a timely manner or has been waived in writing by CAI, Lessee shall be obligated to CAI for the full Replacement Value of all Actual Total Loss Containers under Subsection 7(b), and shall be liable to CAI for the lesser of estimated repair costs or full Replacement Value of Constructive Total Loss Containers under Subsection 7(c).

8. Insurance. Without limiting any other obligations of Lessee under this Agreement Lessee shall at its own expense, obtain and continuously maintain in effect while any Containers remain on lease to Lessee, insurance policies adequately insuring the Containers against all risks of loss or damage, cargo damage and liability to third parties. All such insurance shall be underwritten by reputable underwriters and shall name CAI as an additional insured and loss payee thereunder as its interests may appear. Lessee agrees to indemnify and hold CAI harmless from and against all liability to third parties, damage to and/or replacement costs of and/or expenses (including, without limitation, expenses in prosecuting or defending any claim or suit) with respect to the Containers, and deductibles and coinsurance obligations under the policies required to be provided by Lessee under this Section.

9. Exclusion of Warranties and Indemnity.

- (a) THE CONTAINERS ARE LEASED AS IS. PROVIDED THAT LESSEE COMPLIES FULLY WITH ITS OBLIGATIONS UNDER THIS AGREEMENT, CAI WARRANTS THAT LESSEE SHALL HAVE QUIET POSSESSION OF THE CONTAINERS. CAI MAKES NO OTHER REPRESENTATIONS OR WARRANTIES OF ANY KIND TO LESSEE IN RELATION TO THE CONTAINERS; ALL OTHER EXPRESS AND IMPLIED REPRESENTATIONS AND WARRANTIES REGARDING THE FITNESS OF THE CONTAINERS FOR ANY PARTICULAR PURPOSE OR COUNTRY, OR REGARDING THEIR MERCHANTABILITY, OR AS TO DESCRIPTION, STATE, QUALITY, OR CONDITION OF THE CONTAINERS AT THE TIME OF LEASE-OUT OR AT ANY OTHER TIME, ARE SPECIFICALLY WAIVED, EXCLUDED AND EXTINGUISHED.
- (b) Lessee shall indemnify and hold CAI harmless from all liability, damage, cost or expense, including, without limitation, expenses in prosecuting or defending any claim or suit such as attorney's fees, court costs and other expenses, arising out of (i) any failure of Lessee to comply with its obligations under this Agreement; (ii) any accidents involving the Containers leased under this Agreement which cause injury to or illness or death of persons or loss of or damage to property (including cargo), due to any cause whatsoever including negligence, gross negligence and strict liability in tort; and (iii) the Containers and any forfeiture, seizure, or impounding of, or charge or lien thereon, and any loss thereof or damage thereto while on lease to Lessee under this Agreement. Each party undertakes promptly to give notice to the other of claims against it or action against it with respect to any matter indemnified under this Subsection, and Lessee agrees not to

[*] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.**

Lessee Initials: _____

CAI Initials: _____

settle any such action without the consent of CAI. Lessee agrees to assume, on behalf of CAI, the defense of any action or proceeding brought by any third party against CAI which is subject to indemnification hereunder, to pay all costs and expenses in connection therewith, and to pay on behalf of CAI the amount of any judgment or award that may be entered against CAI with respect thereto.

10. Expiration. Following expiration of the term of this Agreement, the Wind-down Period specified in the Cover Pages will take effect. At the end of the Wind-down Period, the post Wind-down Period rental rates set forth in the Cover Pages will apply to all Containers remaining on lease under this Agreement. Except in regard to additional supply of Containers and the daily rental rates, all other terms and conditions of this Agreement shall continue with respect to all Containers on lease to Lessee on the date of expiration until all such Containers are redelivered to CAI.

11. Taxes, Charges, Liens.

- (a) Lessee will pay all taxes (other than taxes on CAI's net income) and charges levied on or based on: (i) the Containers, or the leasing, use, storage, operation or possession of the Containers by Lessee, and (ii) this Agreement, the rentals and other charges and payments due to CAI hereunder. As between CAI and Lessee, taxes, duties, charges and impositions imposed on the ownership of the Containers shall be for CAI's account unless the tax is imposed only because the Containers are present in the taxing jurisdiction as a result of Lessee's use of them. If, to protect title to the Containers, CAI pays on behalf of Lessee any taxes or charges which are the responsibility of Lessee under this Agreement, Lessee will promptly reimburse CAI in full for such payment(s) plus with any costs and expenses incurred by CAI with respect to making such payments.
- (b) Lessee is not entitled to claim any investment tax credits or depreciation deductions or any other tax benefits normally associated with ownership of any of the Containers covered under this Agreement.
- (c) Lessee will, at its own expense, protect the Containers from liens and encumbrances created by or through Lessee and/or Lessee's use of the Containers. Lessee will take all actions necessary to protect CAI's and/or any third party owners' title to the Containers and right to possession of the Containers following expiration or earlier termination of this Agreement.

12. Subleasing, Assignment.

- (a) Lessee may not assign this Agreement or assign, sublet, rent, hire out or part with possession of any of the Containers to any other party (other than to the care of connecting carriers in the normal course of Lessee's business) without the prior written consent of CAI, which consent, if given by CAI in its discretion, will not terminate Lessee's responsibilities under this Agreement.
- (b) CAI may assign, pledge, or encumber this Agreement, the Containers leased hereunder, and the rentals and other charges payable to CAI hereunder, subject to Lessee's rights under this Agreement.

13. Net Lease; No Force Majeure.

Lessee Initials: _____

5

CAI Initials: _____

-
- (a) The Containers are supplied to Lessee under this Agreement under a net lease contract. Lessee agrees to pay the rentals and other charges arising under this Agreement in full as they accrue to CAI or any assignee of CAI regardless of any and all existing and future claims, defenses, counterclaims or set-offs which Lessee may have against CAI. Nothing contained herein shall prevent Lessee from asserting any such existing or future claims, defenses, counterclaims or set-offs against CAI in separate proceedings not affecting Lessee's payment obligations under this Agreement.
 - (b) Lessee's obligations under this Agreement are unconditional and must be met regardless of the occurrence of any circumstance or event, whether or not such circumstance or event is beyond Lessee's control.

14. Default, Remedies Upon Default.

- (a) Lessee shall be in default of this Agreement if it: (i) fails to pay rent or any other charges arising under this Agreement when due, (ii) fails to perform any of its other material obligations under this Agreement or under any other agreement between Lessee and CAI, (iii) ceases doing business, becomes insolvent, makes an assignment for the benefit of creditors, commits an act of bankruptcy, or becomes the subject of any voluntary or involuntary proceedings under any applicable Bankruptcy Act, or (iv) is seized or nationalized, or has any material portion of its assets seized by any government or entity acting under color of law.
- (b) If Lessee defaults under this Agreement and fails to correct such default(s) within fifteen (15) days of the date of CAI's notice of default and demand for cure, then CAI may, without releasing Lessee from any of its obligations under this Agreement: (i) terminate this Agreement and any other contracts in effect between CAI and Lessee, (ii) demand immediate redelivery of all CAI containers on lease to Lessee, (iii) declare due and payable all amounts owed to CAI under this Agreement and all other contracts in effect between Lessee and CAI, including reasonable attorney's fees and costs, (iv) repossess any containers not returned within twenty (20) days of CAI's demand for redelivery, free of any claims of Lessee or parties claiming through Lessee, (v) assert maritime or other liens against Lessee's property wherever it may be found, (vi) sue for and collect all damages provable by CAI under applicable law, and (vii) exercise any other right or remedy available to CAI at law, in equity or in admiralty. Lessee agrees that CAI will be entitled to collect as part of its damages arising from a default by Lessee under this Agreement, a Remarketing Fee equal to three months' rental charges for each Container covered under this Agreement at the time of Lessee's default as a reasonable estimate of the time and expense required to locate a new lessee for such Containers. Each remedy shall be cumulative to all other remedies available to CAI. Lessee shall be liable to CAI for the Replacement Value of any container not redelivered by Lessee or repossessed by CAI within twenty (20) days of CAI's demand for redelivery. Furthermore, the rental payable for each container not recovered by CAI within twenty days of CAI's demand for redelivery will increase to the spot lease rates charged by CAI for like-type containers at the time of Lessee's default until each such container is redelivered to or repossessed by or payment of the Replacement Value thereof is received by CAI. Lessee hereby waives any right to a judicial hearing prior to CAI's repossession of containers in accordance with the terms of this Subsection.

15. Communications. All notices and communications between CAI and Lessee shall be sent by telex, facsimile or postage prepaid to the addresses specified for the parties in the Cover Pages until either party gives written notice to the other of a change of address.

Lessee Initials: _____

CAI Initials: _____

16. Law and Jurisdiction. This Agreement shall be governed by the laws of the State of California as supplemented by the laws of the United States of America. Lessee agrees that any dispute arising out of or based upon this Agreement may be brought in, and Lessee consents to the exercise of personal jurisdiction over Lessee by, the municipal, state and federal courts located within the State of California, U.S.A. Additionally, Lessee hereby waives any and all rights it may have under the Foreign Sovereign Immunities Act of 1976, 28 U.S.C. Sections, 1602-1611, or under similar legislation of other countries including, but not limited to, any immunity from pre judgment seizure, arrest or attachment.

17. Reports. Lessee agrees to supply on request from CAI, equipment tracking reports showing the locations from time to time of all Containers on lease to Lessee under this Agreement. Lessee further agrees to supply on request to CAI, audited financial statements, and CAI agrees to keep such statements confidential.

18. Miscellaneous.

- (a) Section headings in this Agreement are for convenience only and shall not be deemed to alter or affect any provision hereof.
- (b) Any act by an agent or employee of, or independent contractor engaged by Lessee shall be deemed to be the act of Lessee.
- (c) CAI warrants that as the owner and/or agent of undisclosed third party owners of the Containers covered under this Agreement, CAI is duly authorized to enter into and perform this Agreement on its own behalf and on behalf of such third party owners of the Containers. Lessee warrants that it is duly authorized to enter into and perform this Agreement.
- (d) In the event of any conflict between the Cover Pages and this Exhibit A, the former shall prevail.
- (e) This Agreement contains the entire agreement between the parties with respect to the matters addressed herein, and may be amended, modified or changed only by an additional agreement in writing signed by the authorized representatives of CAI and Lessee. If Lessee fails to object in writing to the provisions of this Agreement within seven (7) days after receiving this Agreement, or if Lessee takes possession of any of the Containers supplied hereunder and retains them after receipt of this Agreement, then this Agreement shall be effective and binding upon Lessee whether or not signed.

Lessee Initials: _____

CAI Initials: _____



Container Applications International, Inc.
655 Montgomery Street, Suite 1101
San Francisco, CA 94111-2630
Tel: (415) 788-0100 • Fax: (415) 788-3430

CONTAINER-APPLICATIONS INTERNATIONAL, INC.
LONG TERM AGREEMENT

(CONTRACT NUMBER: _____ - _____)

This is a Long Term Agreement dated _____ between Container Applications International, Inc., 655 Montgomery Street, Suite 1101, San Francisco, California 94111-2630, U.S.A. ("CAI") and ("Lessee").

1) SCOPE OF AGREEMENT

This Agreement covers the leasing of containers which conform to the standards set forth by ISO, TIR, CSC, and TCT (hereinafter referred to individually and collectively as "containers"), On the terms and conditions set forth below.

2) TERM

This Agreement shall be effective _____ and shall expire _____ years from the Lease Commencement Date ("LCD"). The LCD shall be defined the first day of the month following the month in which the last container goes on lease to Lessee.

3) CONTAINER SUPPLY PROVISIONS

a) Commencing _____ and continuing through _____ CAI agrees to lease containers to Lessee from CAI in _____

b) Execution by CAI or its agent and Lessee or Lessee's agent of CAI's Equipment Condition Reports with respect to each container leased hereunder shall constitute conclusive proof of delivery of such containers to Lessee, of redelivery of such containers to CAI, and of the physical condition of the containers at the time of each such interchange.

4) CONTAINER REDELIVERY PROVISIONS

a) No container leased hereunder may be redelivered prior to the _____ anniversary of the LCD. Thereafter, CAI agrees to accept redelivery of containers from Lessee at the following CAI depot locations with the maximum monthly limitations as noted below:

CAI Depot Location Quantity

b) Containers may be redelivered to depot locations or in numbers other than those shown in Section 4a, provided that such locations, quantities and applicable drop-off charges are mutually agreed upon in writing by CAI and Lessee before redelivery of any such containers.

5) RENTAL CHARGES

During the term of this Agreement, Lessee shall pay to CAI a daily rental charge of US\$ _____ for each container leased hereunder. Lessee agrees to pay daily rental charges

for all containers covered under this Agreement from their respective dates of lease-out through the later of (i) the _____ anniversary of the LCD, or (ii) their respective dates of off-hire pursuant to the terms of this Agreement.

6) HANDLING CHARGES

Lessee shall pay CAI a handling-in charge of US\$ _____ for each container redelivered to CAI. Such charges shall be invoiced by CAI directly to Lessee in accordance with Section 8.

7) LEASING PROCEDURE

The terms and conditions set forth on Exhibit A are hereby incorporated into this Agreement and shall apply to all containers leased under this Agreement. In the event of any conflict between the terms set forth in Exhibit A and the terms of this Agreement, the latter shall prevail.

8) INVOICING PROCEDURE

a) Charges for all containers leased by Lessee under this Agreement will be invoiced monthly in US dollars to the following address:

b) Lessee agrees to pay all CAI invoices in full within 30 days of invoice date. If any items on the invoices are disputed, Lessee will forward a list and explanation of the disputed items to CAI San Francisco with payment in full. In turn, CAI San Francisco will undertake to reconcile these disputes within 60 days of receipt by either issuing credit or providing verification of correct billing or combination thereof. So long as CAI acknowledges the dispute and is attempting in good faith to reconcile the disputed items, Lessee agrees not to withhold any money due CAI which relates to such disputed items.

9) MAINTENANCE

Lessee shall at its own expense at all times maintain each container in good, safe and efficient working order and keep it fully and properly repaired.

10) DAMAGE PROCEDURE

Upon redelivery of a container to CAI's authorized depot, if CAI's Equipment Condition Report, executed by CAI (or CAI's local agent) and Lessee (or Lessee's local agent), shows the container to be in damaged condition, the following procedure will apply: If the container is found to be damaged, as defined by the Institute of International Container Lessors standards prevailing at the time of redelivery, CAI or its authorized

depot will issue a repair estimate to the Lessee. Lessee shall have 10 working days from the date of redelivery (the "Authorization Period") to authorize the depot to proceed with said repairs as shown on the repair estimate for Lessee's account. If authorization is received within the Authorization Period, the container shall be retroactively off-hired on its redelivery date. If authorization is not received within the Authorization Period, CAI reserves the right to continue daily rental charges through the date upon which the depot receives authorization to proceed with repairs as estimated for the Lessee's account. Lessee or its local agent agrees to pay all repair charges as billed by CAI or its authorized depot within 30 days of the date of the invoice therefor.

11) TOTAL LOSS

a) In the event a container is lost, stolen, destroyed, or damaged beyond structural or economic repair so as to be rendered incapable of return to CAI (an "Actual Total Loss"), Lessee shall give notice in writing to CAI of such Actual Total Loss specifying the container number and providing proof of loss satisfactory to CAI. CAI shall thereupon issue an invoice to Lessee for the Replacement Value ("RV") (as set forth in Subsection 11c) of the Actual Total Loss container. Provided that payment of the RV is made to CAI within 30 days of the invoice date, daily rental charges will retroactively terminate on the date of CAI's receipt of such written notice. If payment of the RV is not made within 30 days of the invoice date, daily rental charges shall continue to accrue until payment of the RV is received by CAI. Upon receipt of such payment accompanied by an appropriate request by Lessee, title to the Actual Total Loss container will be transferred to Lessee. Furthermore, provided that Lessee shall not be in default of any provisions of this Agreement, then CAI agrees to invoice the Actual Total Loss container at the Depreciated Replacement Value ("DRV"), calculated in accordance with Subsection 11c, in lieu of the RV. Any taxes, duties or charges which become payable by virtue of the transfer of title to Lessee shall be for Lessee's account.

b) Provided that Lessee shall not be in default of any provisions of this Agreement, if Lessee has redelivered a container to CAI, and Lessee has received a damage estimate in accordance with Section 10, Lessee may, within the Authorization Period, authorize repairs in accordance with the estimate or request that CAI supply details of the DRV for such container. If CAI determines that the extent of the damage so warrants (a "Constructive Total Loss"), CAI will provide the DRV for such container, and Lessee shall have the option to pay either the estimated damages or the DRV. If Lessee elects the latter, Lessee shall give notice to CAI of its election to declare Constructive Total Loss within 7 calendar days of receipt of the details of the DRV and CAI will issue an invoice for the DRV of such Constructive Total Loss container. Provided that payment of the DRV is received by CAI within 30 days of the date of invoice therefor, daily rental charges shall terminate on the date of redelivery of the Constructive Total Loss container. If payment is not received as aforesaid, daily rental charges shall continue to accrue until payment is received by CAI. Unless otherwise elected by CAI, title to the Constructive Total Loss container will remain with CAI.

c) In calculating the DRV, the Replacement Value of US\$ _____ is depreciated down to a value not less than 50% of the Replacement Value. The depreciation is calculated on a straight line basis using a 15 year lifespan for the container with a 15% residual value.

12) INSURANCE

Without prejudice to any other obligations of Lessee under this Agreement, Lessee shall, at its own expense, obtain and continuously maintain in effect while any containers remain on lease to Lessee, insurance policies adequately insuring the containers against all risks of loss or damage, cargo damage and liability to third parties. All such insurance shall be underwritten by reputable underwriters and shall name CAI as an additional insured and loss payee thereunder as its interests may appear. Lessee agrees to indemnify and hold CAI harmless from and against all liability to third parties, damage to and/or replacement costs of and/or expenses (including, without limitation, expenses in prosecuting or defending any claim or suit) with respect to the containers, and deductibles and coinsurance obligations under the policies required to be provided by Lessee under this Section.

13) EXCLUSION OF WARRANTIES AND INDEMNITY

a) THE CONTAINERS ARE LEASED AS IS. PROVIDED THAT LESSEE COMPLIES FULLY WITH ITS OBLIGATIONS UNDER THIS AGREEMENT, CAI WARRANTS THAT LESSEE SHALL HAVE QUIET POSSESSION OF THE CONTAINERS. SAVE AS AFORESAID, NO REPRESENTATIONS OR WARRANTIES WHATSOEVER OF ANY KIND HAVE BEEN GIVEN BY CAI IN RELATION TO THE CONTAINERS, AND ALL REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, WHETHER IN RELATION TO THE FITNESS OF THE CONTAINERS FOR ANY PARTICULAR PURPOSE OR COUNTRY, OR WHETHER IN RELATION TO MERCHANTABILITY OR AS TO DESCRIPTION, STATE, QUALITY, OR CONDITION OF THE CONTAINERS AT DELIVERY OR AT ANY OTHER TIME ARE HEREBY WAIVED, EXCLUDED AND EXTINGUISHED.

b) Lessee shall indemnify and hold CAI harmless from all liability, damage, cost or expense, including, without limitation, expenses in prosecuting or defending any claim or suit such as attorney's fees, court costs and other expenses arising out of (i) any failure of Lessee to comply with its obligations under this Agreement; (ii) any claim, whether private or governmental, for personal injury or death, or for loss of or damage to person, property, cargo or vessels arising out of or incident to the ownership, selection, possession, leasing, operation, control, use, storage, loading, unloading, moving, maintenance, delivery, or return of the containers, and (iii) the containers and any forfeiture, seizure, or impounding of, or charge or lien thereon, and any loss thereof or damage thereto. Each party undertakes promptly to give notice to the other of claims against it or action against it with respect thereto, and Lessee agrees not to settle any action without the consent of CAI. Lessee agrees to assume, on behalf of CAI, the defense of any action or proceeding which may be brought by any third party against CAI and to pay all costs and expenses of whatever nature in connection therewith, and to pay on behalf of CAI the amount of any judgment or award that may be entered against CAI with respect thereto.

14) EXPIRATION

Commencing the first day of the _____ month following the expiration of this Agreement, the daily rental charge for each container then on lease under this Agreement shall increase to US\$_____. Except in regard to daily rental charges, all other terms and conditions of this Agreement shall continue with respect to all containers on lease to Lessee on the date of expiration until all such containers are redelivered to CAI. Please indicate your acceptance and agreement to the foregoing by signing and returning three copies of this Agreement to CAI. Upon CAI's receipt and execution of said copies, the Agreement shall constitute a binding agreement between CAI and Lessee, and one copy will be promptly returned for your files.

CONTAINER APPLICATIONS INTERNATIONAL, INC.

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

EXHIBIT A
GENERAL TERMS AND CONDITIONS

1. DELIVERY OF EQUIPMENT

By execution of each ECR with respect to each item of equipment delivered to Lessee under this Agreement, Lessee conclusively acknowledges receipt thereof in good and leasable condition. Lessee agrees to return such equipment to Lessor in as good condition as received from Lessor, normal wear and deterioration excepted, and to execute Lessor's ECR upon redelivery to Lessor identifying and acknowledging any changes in the condition of the equipment while on lease to Lessee. Any changes in the equipment which could have been prevented by normal maintenance shall not constitute normal wear and deterioration and shall be deemed to be damage.

2. RENTAL AND OTHER CHARGES

a. Lessee agrees to pay rental charges for the equipment in the amount(s) set forth in this Agreement from the day such equipment is delivered and/or interchanged to Lessee until the day such equipment is returned to Lessor. However, if the equipment is not returned in good condition, Lessee agrees to pay for the cost of any necessary repairs together with rental charges through the date such repairs are approved by Lessee. Further, in the event no fixed lease term is specified for the equipment, Lessor may, upon written notice to Lessee, (i) prospectively adjust the initial-rental charges to Lessor's then current average spot lease rate for such equipment on or after the 18 month anniversary of the lease out date of such equipment, or (ii) require that Lessee redeliver the equipment within 30 days of such notice in accordance with the redelivery provisions set forth herein. In the event a fixed lease term is specified for the equipment, Lessor may (unless otherwise provided elsewhere in this Agreement), upon written notice to Lessee (i) prospectively adjust the rental charges for such equipment to Lessor's then current average spot lease rate for such equipment on or after the 6 month anniversary of the expiration of the fixed term, or (ii) require that Lessee redeliver the equipment within 30 days of such notice in accordance with the redelivery provisions set forth herein.

b. Lessee shall return all equipment to Lessor's terminal at the point(s) of termination designated herein or, if no point(s) of termination have been so specified, to the locations specified in writing by the Lessor to Lessee. Furthermore, upon such redelivery, Lessee agrees to pay Lessor the applicable equipment drop-off charge(s) shown herein, or, if no such charges are specified herein, the applicable drop-off charges contained in Lessor's current drop-off charge schedule.

c. All service charges incurred in transferring the equipment including, but not limited to, handling charges, transportation charges and chassis use fees, and all service charges imposed by any bank or other organization in connection with payment of monies due to Lessor, shall be for the account of Lessee.

d. Unless otherwise indicated herein, all payments due to Lessor shall be payable in United States Dollars and shall be paid to Lessor, within fifteen (15) days of the date of Lessor's invoice(s), at the address for Lessor shown herein. In the event Lessor's invoice(s) is/are not paid when due, Lessor may, without prejudice to any other remedy it may have, charge, as additional rental, a service charge at the rate of the lesser of eighteen (18) percent per annum or the maximum amount permitted by applicable law, until the balance is paid in full.

e. It is expressly understood and agreed that (i) equipment furnished to Lessee hereunder is necessary to and leased for use aboard vessels owned, operated, chartered and/or managed by Lessee for ocean transportation of goods and for land transportation incidental thereto, (ii) equipment furnished to Lessee hereunder is made available not only on the credit of the Lessee

but also on the credit of such vessels as aforesaid, and (iii) to the extent permitted by law, Lessor has and may assert maritime liens against such vessels for any breach of Lessee's obligations to Lessor with respect to such equipment as set forth in this Agreement.

3. RISK OF LOSS AND DAMAGE

Lessee is liable to Lessor for all damage to or loss or destruction of the equipment subsequent to its delivery to Lessee and prior to its return to Lessor except that caused by normal wear and deterioration. Normal wear and deterioration shall not include damage caused by forklifts or other handling equipment.

a. **DAMAGE.** In the event Lessee fails to repair damage to the equipment prior to returning it to Lessor, Lessor or its authorized depot will present a repair estimate to Lessee or Lessee's local agent for approval. Lessee shall be liable to Lessor for the cost of such repairs and for rental charges for the equipment which shall continue until the day on which Lessee or its authorized agent approves the repairs as set forth in the estimate. Lessee will, at Lessor's request, make payment of repair costs directly to the appropriate repair company and pay any and all storage charges incurred as a result of Lessee's failure to approve repairs on a timely basis.

b. **LOSS OR TOTAL DAMAGE.** In the event of loss, theft or destruction of the equipment (an "Event of Loss") or damage thereto which Lessor, in its sole discretion, shall determine is not structurally or economically repairable (an "Event of Constructive Loss"), rental charges for the affected equipment shall terminate (1) upon receipt by Lessor of written notice from Lessee of an Event of Loss, or (2) upon issuance by Lessor of a written notice to Lessee of an Event of Constructive Loss, provided in either event that payment of the Replacement Value for a like item of equipment (as set forth herein or in Lessor's then current Replacement Value Schedule) is made to Lessor within 30 days of such notice. If payment is not made within such 30 days, rental charges shall continue unabated until payment of the Replacement Value is received by Lessor. General payments by Lessee shall not be applied to charges for the Replacement Value of equipment unless so specified by Lessee. Further, if any equipment is subject to an Event of Loss or Event of Constructive Loss prior to the expiration of any fixed term specified for such equipment, Lessor shall have the right but not the obligation to supply a like item of equipment to Lessee, whereupon Lessee agrees either (1) to lease such substitute equipment, or (2) if Lessee elects not to lease the substitute equipment, to pay Lessor any shortfall between the historic rental charges for the original item of equipment and the contractual rental charges for said fixed term.

4. OPERATION, MAINTENANCE AND REPAIR

a. Lessee shall use the equipment properly and shall, at its sole cost and expense, maintain the equipment in good repair and safe operating condition. Such maintenance shall include but not be limited to the replacement of all badly worn or broken parts with new parts of equivalent design and material, as well as the abrasive cleaning, priming and top coating of all corroded areas on a routine, as needed basis. Lessee shall be liable for any repairs wrongly made or incompatible with the standards set forth in the Repair Manuals issued from time to time by the Institute of International Container Lessors. Lessee shall be responsible for all cleaning and decontamination costs with respect to equipment contaminated by cargo or otherwise and for removal of all debris and shoring from any containers leased hereunder prior to their return to Lessor. Lessee shall be liable for all costs and losses to Lessor arising out of Lessee's failure to repair or maintain the equipment in good condition. If the foregoing obligations are performed by Lessor, all expenses relating thereto will be for the account of Lessee.

b. Lessee shall use the equipment in accordance with good operating practices and so as to comply with all loading limitations, handling procedures and operating instructions prescribed by

the manufacturer(s) thereof and by Lessor, including, but not limited to, current Regulations and Recommendations of the International Organization of Standardization and applicable local regulations, and shall prevent usage which may damage or shorten the life of the equipment such as excessive impact and unbalanced loading. Lessee shall not use the equipment for storage or transportation of goods which could damage the equipment including, without limitation, unprotected corrosive substances, poorly secured materials or bulk commodities which may corrode, oxidize, severely dent, puncture, contaminate, stain or damage the equipment.

c. Container(s) supplied hereunder shall be used solely in international trade unless the use thereof in domestic transportation of goods is expressly permitted elsewhere in this Agreement.

d. Receipt or delivery of equipment or any other act by an agent or employee of, or independent contractor engaged by, Lessee shall be deemed to be the act of Lessee and shall be binding upon Lessee.

e. Lessor's equipment is identified by appropriate lettering and numbering, which Lessee agrees not to change or obliterate. Notwithstanding the foregoing, at the written request of Lessor, Lessee shall change or supplement such marks as Lessor shall request. Lessee may, however, add other markings as maybe required, provided that such additional markings will be removed and the surface of the equipment shall be in the same condition as prior to the addition of such markings when the equipment is redelivered to Lessor. If Lessee fails to remove such additional markings, Lessor shall remove such markings at Lessee's cost.

f. Lessee shall be responsible for the cost of removal of any intentional or unintentional amendments, alterations, or modifications made to the equipment and for returning the equipment to the same condition in which it was originally received by Lessee. Lessee shall at its expense comply with all laws, regulations and orders which in any way affect the equipment or its use, operation or storage. Lessor shall have no responsibility for compliance with any such laws, regulations or orders, including, without limitation, all such laws, regulations or orders as may relate to customs, transportation, handling, safety and labor regulation.

h. Lessee shall at its expense comply with all rules and practices of ports, depots, storage areas and transportation companies consistent with the other requirements of this Section 4.

i. Lessor shall deliver containers to Lessee which fully comply with the rules and standards of the International Convention for Safe Containers ("CSC"). Such containers shall have affixed CSC plates or CSC plates with an ACEP (Approved Continuous Examination Program) mark. It shall be the obligation of Lessee to comply with the CSC in all respects and Lessee shall have and exercise Lessor's responsibilities under the CSC including, without limitation, plating (design-type approval to be obtained and plates to be provided by Lessor), maintenance, examination, re-examination and marking of each container. Such examination or re-examination shall be performed in accordance with the Rules and Regulations for the Safety Approval of Cargo Containers of the United States Department of Transportation. Lessee shall also comply with the Customs Conventions on Containers, 1956 and 1972, including, without limitation, all obligations of the operator relating to temporary admission, transport of goods under customs seal, maintenance of records and reporting to governmental authorities.

5. DEFAULT, REMEDIES UPON DEFAULT

a. Should Lessee (i) default in the timely payment of any sum due to Lessor with respect to the equipment, or (ii) default in the performance of its other obligations with respect "to the

equipment hereunder or under any other lease contract(s) made between Lessor and Lessee, or (iii) suffer any distress, execution or other legal process which has the effect of a levy on any of the equipment leased hereunder or thereunder, or (iv) cease doing business as a going concern, become insolvent, commit an act of bankruptcy, or become the subject of any proceeding under any applicable Bankruptcy Act, or (v) be seized or nationalized or should any of Lessee's assets be seized by a government or government instrumentality; then Lessor may without notice and without relieving Lessee of its obligations hereunder, terminate the leasing of the equipment, invoke the default provisions hereof and/or of any other leases made between Lessor and Lessee, declare the balance of all rental accrued and to be accrued hereunder and thereunder to be due and payable, demand and retake possession of the equipment and all other equipment leased by Lessor to Lessee free of any claims of Lessee, assert maritime or other liens against Lessee's property wherever it may be found, and exercise any other right or remedy available to Lessor under applicable law. In the event Lessor terminates the leasing of equipment or invokes the aforesaid default remedies, Lessee shall no longer be in possession of Lessor's equipment with Lessor's consent, and the rental payable therefor shall immediately increase to the spot lease rates charged by Lessor for like type equipment at the time of default: Lessee shall immediately notify Lessor of the exact location of the equipment. If Lessee fails to redeliver such equipment to Lessor within twenty days of Lessor's demand for redelivery, Lessor may retake possession of any or all of its equipment in the possession of Lessee, and for such purpose may enter upon any premises belonging to or in the occupation or control of Lessee. LESSEE HEREBY WAIVES ANY AND ALL RIGHTS TO A JUDICIAL HEARING PRIOR TO LESSOR'S REPOSSESSION OF THE EQUIPMENT.

b. Lessee shall continue to pay rental charges for equipment until (i) the equipment is returned to Lessor in as good condition as received, normal wear and deterioration excepted, or (ii) the equipment is repaired and fit for subsequent rental, or (iii) settlement for the equipment is made. In the event Lessor retakes possession of all or any part of the equipment, Lessee authorizes Lessor to take possession of any property in, on, or attached to such equipment which is not the property of Lessor, and without liability for its care or safekeeping, to place such property in storage at the risk and expense of Lessee. Lessee further agrees to pay Lessor upon demand the Replacement Value of any equipment which has not been returned within the foregoing twenty day period. Upon such return or repossession of the equipment, Lessee will pay immediately to Lessor, as liquidated damages for loss of a bargain, which the parties agree are fair and reasonable under the circumstances existing at the time this Agreement is entered into, and not as a penalty, and in lieu of any further payments of rent for the equipment, the following: (aa) all rent and other amounts due for such equipment as of such date of return or repossession, (bb) an additional payment of three month's rent for the equipment to compensate Lessor for the reasonable estimate of the time and expense required to locate a new Lessee for the equipment (the "Remarketing Period"), (cc) an amount equal to the present value of the difference between the total remaining rental payments for the unexpired minimum lease term, if any, (commencing at the end of the Remarketing Period) and the fair market rent for the same period discounted at a rate per annum equal to the discount rate for 13-week Treasury Bills as of the date on which the equipment is returned or repossessed (as such rate is reported in the Money Rates column in the Wall Street Journal), and (dd) any and all incidental damages suffered by Lessor as a result of Lessee's default, less any expenses saved by Lessor in consequence of the default.

c. Without in any way limiting the obligations of Lessee hereunder, Lessee hereby irrevocably appoints Lessor as the agent and attorney-in-fact of Lessee, with full power and authority at any time that Lessee is obligated to deliver possession of any equipment to Lessor, to demand and take possession of such equipment in the name and on behalf of Lessee from whomsoever shall be at the time in possession such equipment.

d. Lessee hereby irrevocably waives any immunity from jurisdiction to which it might otherwise be entitled (including but not limited to any immunity afforded to Lessee by the United States Foreign Sovereign Immunities Act or any similar legislation, rules or regulations of any other countries having applicability to Lessee) in any action arising out of or relating to the equipment or to this Agreement which may be instituted in any court or arbitration proceedings in or outside of the United States of America. Lessee further irrevocably waives any immunity from the execution or enforcement of any judgment obtained in any legal action or arbitration proceeding worldwide.

e. Termination of the leasing of the equipment as a result of Lessee's default shall not relieve Lessee of any liabilities or obligations to Lessor accrued prior to such default and Lessee shall in any event remain fully liable for reasonable damages as provided by law, and for all costs and expenses incurred by Lessor on account of such default including all costs of recovering equipment, legal costs and reasonable attorney's fees. Nothing in this paragraph shall be construed to waive any remedy or relief available to Lessor hereunder, in equity, in admiralty, or at law upon the occurrence of any event set forth in this section.

f. Any forbearance by Lessor to enforce its rights hereunder in the event of a default by Lessee shall not constitute a waiver of Lessor's rights, nor shall said forbearance waive Lessor's rights with respect to any other failure by Lessee to comply strictly with its obligations to Lessor.

6. LIMITATION OF WARRANTIES

a. THE EQUIPMENT IS LEASED AS IS. PROVIDED THAT LESSEE COMPLIES FULLY WITH ITS OBLIGATIONS UNDER THIS AGREEMENT, LESSOR WARRANTS THAT LESSEE SHALL HAVE QUIET POSSESSION OF THE EQUIPMENT. SAVE AS AFORESAID NO REPRESENTATIONS OR WARRANTIES WHATSOEVER OF ANY KIND HAVE BEEN OR ARE GIVEN BY LESSOR IN RELATION TO THE EQUIPMENT, AND ALL REPRESENTATIONS_ AND WARRANTIES WHETHER EXPRESS OR IMPLIED, WHETHER IN RELATION TO THE FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE OR COUNTRY, OR WHETHER IN RELATION TO MERCHANTABILITY OR AS TO DESCRIPTION, STATE, QUALITY, OR CONDITION OF THE EQUIPMENT AT DELIVERY OR AT ANY OTHER TIME ARE HEREBY WAIVED, EXCLUDED AND EXTINGUISHED.

b. LESSEE'S OBLIGATIONS UNDER THIS AGREEMENT ARE ABSOLUTE AND SHALL NOT BE AFFECTED BY ANY CIRCUMSTANCE OR EVENT BEYOND LESSEE'S CONTROL OF WHATEVER NATURE.

c. Lessee will not suffer to be created, nor permit to be continued, nor fail to discharge, any lien or encumbrance incurred by Lessee or its agents against the equipment covered hereunder, nor shall Lessee or its agents procure any document of title which might at any time encumber the owner's title to or infringe upon Lessor's possessory rights to the equipment at expiration or earlier termination of the leasing thereof to the Lessee.

7. NOTICES

All billings, payments and written notices from either party to the other shall be given to the addresses shown herein, to Lessee's local agent, or to such other address as may be designated in writing by either party from time to time and shall be deemed to have been received upon delivery to the party to whom they are directed.

8. TAXES, FEES AND FINES

a. Lessee shall pay all taxes (other than taxes on Lessor's net income) and charges levied on the equipment or in connection with the use, storage, operation or possession by Lessee of the equipment or levied against or based upon the amount of rentals paid or to be paid with respect thereto, or any other taxes levied against or based upon the leasing thereof to Lessee or subsequent to delivery to Lessee, including, without limitation, property, sales, use and excise taxes, duties, customs tariffs and impositions of federal, state, foreign and local governments and agencies. Taxes, duties, charges etc. levied on the equipment due solely to the ownership thereof shall be for Lessor's account unless such taxes are assessed because of the presence of the equipment in a taxing jurisdiction as a result of Lessee's use of the equipment.

b. Lessee shall pay all charges incurred in ports, depots, storage areas or otherwise arising out of the use of the equipment.

c. Lessee is not entitled to claim any investment tax credits or depreciation deductions or any other tax benefits normally associated with ownership of any of the equipment covered hereunder. Lessee hereby warrants that it will not claim any such investment tax credits, depreciation deductions or other such tax benefits.

9. INDEMNITY

a. Lessee shall indemnify and hold Lessor harmless from all liability, damage, cost and expenses (including, without limitation, expenses in prosecuting or defending any claim or suit such as attorney's fees, court costs and other expenses) arising out of (i) any failure of Lessee to comply with its obligations hereunder, (ii) any claim whether private or governmental, for personal injury or death, and for loss of or damage to person, property, cargo or vessels arising out of or incident to the ownership, selection, possession, leasing, operation, control, use, storage, loading, unloading, moving, maintenance, delivery or return of the equipment, and (iii) the equipment and any loss of or damage thereto, or any forfeiture, seizure, or impounding of, or charge or lien on the equipment. Each party undertakes promptly to give notice to the other of such claims against it or actions against it, and Lessee agrees not to settle any action without the consent of Lessor.

b. Lessee shall maintain third party liability insurance, cargo damage insurance, and all risk property loss and damage insurance (including General Average) with respect to all equipment covered hereunder. All such insurance shall be written by reputable underwriters and shall be in amounts and on terms which are satisfactory to Lessor. Lessee shall deliver certificates of insurance to Lessor evidencing the aforesaid coverages and naming Lessor as an additional insured and loss payee thereunder as its interests may appear.

10. SUBLEASING, DIRECT INTERCHANGING AND ASSIGNMENT

a. LESSEE SHALL NOT HAVE THE RIGHT TO ASSIGN THIS AGREEMENT OR TO ASSIGN, SUBLET, RENT, DIRECTLY INTERCHANGE OR OTHERWISE HIRE OUT OR PART WITH POSSESSION OF THE EQUIPMENT TO ANY OTHER PARTY (OTHER THAN TO THE CARE OF CONNECTING CARRIERS IN THE NORMAL COURSE OF LESSEE'S BUSINESS) WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR AND SUCH CONSENT OF LESSOR, IF GIVEN, SHALL NOT OPERATE TO RELIEVE LESSEE OF ANY OF ITS OBLIGATIONS HEREUNDER.

b. Lessor may delegate, assign, pledge or encumber in whole or in part this Agreement, the equipment leased hereunder, and/or the rentals and other charges due with respect thereto. Lessee agrees to pay in full rentals and other charges as accrued to Lessor's assignee, regardless of any defenses, counterclaims or set-offs which Lessee might have against Lessor.

11. GENERAL

- a. This agreement is binding upon the parties, their permitted successors and assigns and shall be construed and interpreted in accordance with the laws of the United States of America and, except where inconsistent therewith, with the laws of the State of California. With respect to any claim or controversy arising out of or relating to this agreement, the parties consent to the jurisdiction of the State and Federal Courts located in San Francisco, California, U.S.A.
- b. The paragraph headings in this agreement are for convenience only and shall not be deemed to alter or affect any provision hereof.
- c. The equipment furnished hereunder is provided to Lessee under a net lease contract. Lessee waives any and all existing and future defenses, set-offs, or counterclaims against rental charges or payments due to Lessor with respect to the equipment, irrespective of the rights which Lessee may have against Lessor or any other party.
- d. Lessee agrees to supply on request from Lessor, equipment tracking reports produced in the regular course of Lessee's business showing the location of all equipment on lease to Lessee from Lessor.
- e. Lessee agrees to supply audited financial statements on request to Lessor and Lessor agrees to keep such statements confidential.
- f. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and may be amended, modified or changed only by an additional agreement in writing executed by the parties hereto. If Lessee fails, however, to give to Lessor written objection to its contents within seven (7) days after this Agreement is received or if Lessee takes possession of any of the equipment provided hereunder and retains it after receipt of this Agreement then this Agreement shall be effective and binding upon Lessee whether or not signed.
- g. Any action by Lessee against Lessor for any default by Lessor under this Agreement, including breach of warranty or indemnity, shall be commenced within one (1) year after any such cause of action accrues.

Container Applications International, Inc.

CON-GEN (Rev. 2/93)

EXHIBIT E

(Copies of Acquisition Agreements and Amendments Thereto)

P&R EQUIPMENT & FINANCE CORPORATION

Industriestrasse 6
CH 6301 Zug, Switzerland
Phone: 41-42-23-3322
FAX: 41-42-23-3383

COMMITMENT LETTER

March 1996

Mr. Hiro Ogawa
President
Container Applications International, Inc. 655 Montgomery Street
San Francisco, CA 94111-2630

Re: Second Quarter 1996 Container Acquisition

Dear Hiro:

P&R Equipment & Finance Corporation ("P&R") accepts the offer of Container Applications Inc, ("CAI") for second quarter 1996 acquisitions and makes a commitment to CAI to purchase from CAI a fleet of marine cargo containers, all manufactured in 1996, consisting of: 1) *** 20-foot dry vans at an all-inclusive per unit price of ***, 2) *** 40-foot dry vans at an all-inclusive per unit price of *** and 3) *** 40-foot high cubes at an all-inclusive per unit price of ***. The total all-inclusive price for the *** units will be \$***. The acquisition and management of these containers will take place in the second quarter of 1996 under the terms and conditions set out below.

Manufacture of Containers. The containers will be manufactured in March, April and May of 1996 by manufacturers normally utilized by CAI for the manufacture of containers for CAI's own account. The manufacturers will be located in China, India, Malaysia and Bangkok. Approximately 65 % of the units will be manufactured in China, 15% in Malaysia, 15% in Bangkok and 5% in India. Actual percentages may differ based on market demand. All *** containers will be constructed in accordance with CAI Standard Specification for General Cargo Steel Containers dated July 11, 1995, a copy of which is attached hereto as Exhibit A. All will be inspected and certified as in compliance with IICL standards by Bureau Veritas or an equivalent agency.

Payment, Delivery & Passage of Title. Approximately one-third of the containers will be delivered to P&R at the end of April, one-third at the end of May and one-third at the end of June. The payment dates for these three deliveries will be April 30, May 31 and June 28, 1996. CAI will invoice P&R approximately two weeks prior to each payment date, and P&R will transfer funds from its Swiss bank account to CAI's designated bank account effective on the three payment dates. Title will pass to P&R on the dates the fund transfers are completed.

[*] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.**

Management Agreement. Beginning on the date P&R pays for each container and continuing through June 30, 2006, CAI will manage the containers for P&R under an Amendment to the Management Agreement currently in effect between P&R and CAI (the "P&R/CAI Agreement"). The Amendment to the P&R/CAI Management Agreement will give P&R two one-year options to renew following June 30, 2006 under the same terms and conditions relating to renewal options as are contained in the P&R/CAI Management Agreement.

Allocation of Revenues & Expenses. During the period of time which commences on the date that CAI takes initial possession of a container from a manufacturer and continuing up to, but not including, the day on which P&R pays for that container (the "Pre-Payment Period") all revenues and direct operating expenses generated by the container, with the exception of net repositioning expenses described below, will be credited to CAI's account. Commencing on the day P&R pays CAI for a container and continuing through the term of Amendment to the P&R/CAI Management Agreement including any renewals thereto, all revenues and expenses generated by that container shall be for P&R's account under the terms and conditions of the said Management Agreement. PROVIDED THAT during the Pre-Payment Period all repositioning expenses reasonably incurred by CAI to expedite the initial lease-out of a container shall be for the account of P&R and all revenues generated in the form of handling charges or other charges billed to and paid by a lessee which are related to such repositioning shall also be credited to P&R's account.

Execution. If the terms and conditions of the transaction as set out above are correct, please so indicate by executing a copy of this letter in the space provided below.

P&R EQUIPMENT & FINANCE CORPORATION

By: _____ Date _____
Heinz Roth

CONTAINER APPLICATIONS INC.

By: _____ Date _____
Hiro Ogawa, President

ACQUISITION AGREEMENT NO. 2

PART OF EXHIBIT E TO SECOND MANAGEMENT AGREEMENT

This Acquisition Agreement No. 2 is entered into by and between Container Applications International Inc., a Nevada corporation ("Manager") and P & R Equipment & Finance Corporation, a Swiss corporation ("Owner") and becomes effective on the date it is signed by both Owner & Manager (the "Parties").

Agreements to Purchase & Manage. Owner agrees to purchase from Manager and Manager agrees to manage for owner the container equipment described below. Manager will manage the equipment under all the terms and conditions contained in the Second Management Agreement entered into by and between the Parties which governs the acquisition by Owner and the management by Manager of container acquisitions made by Owner in 1996, 1997 and 1998. This Acquisition Agreement No. 2 shall be added to and become a part of Exhibit E to that Second Management Agreement.

Terms Used. The terms used in this Agreement shall have the same defined meaning as those terms are defined in the Second Management Agreement.

The Fleet Mix. The equipment acquired by Owner will consist of *** marine cargo containers to be delivered in July, August and early September 1997. Of the *** units, *** will be 20-foot dry vans ("20s"), *** will be 40-foot dry vans ("40s") and *** will be 40-foot high cubes ("HCs").

Price. The maximum average all-inclusive per unit price will be *** for 20s, *** for 40s and *** for HCs. The total all-inclusive price will be ***.

Delivery. Manager will deliver the *** units to Owner and Owner will purchase these containers from Manager in accordance with the Delivery Schedule set out below. Manager will invoice Owner on a monthly basis, and each invoice will be submitted to Owner on or about the middle of each month with payments scheduled for 15 calendar days thereafter. For each unit, title will pass to Owner and revenues and expenses will commence accruing to Owner's Account on the day Manager receives payment for that unit.

DELIVERY SCHEDULE

FLEET MIX	NO OF UNITS DELIVERED PER MONTH			TOTAL UNITS
	JULY '96	AUG '96	SEPT '96	
20s	***	***	***	***
40s	***	***	***	***
HCs	***	***	***	***
Total Units	***	***	***	***
Total Price	***	***	***	***

[***] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

Manufacturers and Manufacturing Locations. Manager anticipates that the units will be manufactured by the manufacturers listed in the Manufacturers Schedule listed below which also lists the approximate percentages of the *** units which will be manufactured by each such manufacturer.

MANUFACTURERS SCHEDULE

<u>MANUFACTURER</u>	<u>LOCATION</u>	<u>PERCENTAGE</u>
Jiluck Ace	Tianjian, China	***
Hyundai	Qingdao, China	***
Qingdao Universal	Qingdao, China	***
Shanghai Pao Long	Shanghai, China	***
Xia Win	Xiamen, China	***
China International Containers	Guangzhou, China	***
AIT	Bangkok, Thailand	***
Siam Cargo	Bangkok, Thailand	***
Kodeco	Indonesia	***
Transfreight	India	***
Other		***
TOTAL:		***

Acquisition Agreement No. 3. By August 1, 1996, CAI will provide Owner for Owner's approval Acquisition Agreement No. 3 in the same format as this Acquisition No 2. Acquisition Agreement No. 3 shall provide for the acquisition by Owner and the management by Manager of approximately \$11 million of additional dry van cargo equipment to be delivered to and paid for by Owner in August, September, October and November 1996. Such equipment will be offered at the same all-inclusive per unit prices for each equipment type as the prices agreed to herein.

Modifications. The Parties understand that changes in the leased container market may require modifications in this agreement. The Parties agree to the following procedures with respect to such modifications:

1. Manager may alter the Manufacturers Schedule set out above to improve the absorption rate and initial performance of Owner's equipment. Such alterations, if any, will be based on the terms and conditions which Manager is able to negotiate with particular manufacturers and based upon the level of demand for particular container types at various locations at the time units will be acquired. Manager, with Owner's approval, may also make changes in the Delivery Schedule set out above if such changes are warranted by market conditions which affect the absorption rate of containers by lessees at specific locations. Manager will promptly notify Owner through Owner's Agent of any such proposed changes and the Parties will modify this Acquisition Agreement to reflect those changes.
2. If demand for containers deteriorates or does not improve as rapidly as anticipated during the proposed July to October delivery period, and if in Manager's best

[***] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

judgement it is not in the best interests of Owner or Manager for Owner to purchase all *** units covered herein within the proposed time frame, Manager will immediately consult with Owner through Owner's Agent, and the Parties will use their best efforts to agree upon and prepare a revised Delivery Schedule to be incorporated into this document.

3. Manager will not raise the all-inclusive per unit prices or change the proposed fleet mix without Owner's prior consent. In the event of such a change and if they are in agreement, the Parties will revise this document to reflect the change.

In consideration of the Above, the Parties have executed this Acquisition Agreement No. 2 on the dates indicated below.

**CONTAINER APPLICATIONS INTERNATIONAL,
INC.**

By: _____ Date _____
Its: _____
(Title)

P&R EQUIPMENT & FINANCE CORPORATION

By: _____ Date _____
Its: _____
(Title)

*****] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.**

EXHIBIT F

**(CAI STANDARD SPECIFICATION FOR GENERAL CARGO STEEL
CONTAINERS DATED JULY 11, 1995.)**

CAI
STANDARD SPECIFICATION FOR
GENERAL CARGO STEEL CONTAINERS

I. Standards and Regulations

The manufacturer shall be responsible for meeting all applicable regulatory and commercial standards as are required for the intended usage of the container. The manufacturer shall be complying with the following standards and regulations and any applicable standards and any other applicable standards and regulations, and shall advise CAI of any exceptions in compliance therewith:

- a. International Standards Organization (I.S.O.)
- b. Transport International Des Rouders (T.I.R.) < Customs Convention for International Transportation of Goods under the cover of T.I.R. Carnet >
- c. Convention of Safe Containers (C.S.C.)
- d. Australian Commonwealth Department of Health “ Plant Quarantine Treatment Schedule”
- e. International Union of Railways (U.I.C.)

All costs relating to approval, certification and plating shall be born by the manufacturer. CAI nominates Bureau Veritas and American Bureau of Shipping as classification society.

II. Materials, Design and Construction

1. ROOF

- * Corrugated 2.0 mm Corten steel panels (JIS SPA-H) or equivalent.
- * A minimum of 4 pressing per 4’x8’ panel and “U” shaped end.
- * The roof must be cambered a minimum of 8 mm.
- * Corner protection plates < over 3.2 mm thick> must be provided within a minimum 300 x 300 mm area surrounding each corner casting.

2. SIDE

- * Full Chevron type corrugated panels by 1.6 mm Corten steel (SPA-H) or equivalent < 36 mm depth gentle slope corrugation >
- * 2 pieces of small plastic labyrinth type ventilators shall be placed at the second recess corrugation of the right front & the left rear from corner post.

3. FRONT

- * Corrugated 2.0 mm Corten steel (SPA-H) panels or equivalent < 45.6 mm—depth >

4. DOORS

- * Minimum 3 pressing corrugated 2.0 mm Corten steel (SPA-H) panels with the open section top and bottom horizontal Corten steel members.

4.1 Locking assembly

- * Hot dip galvanized “Blockwich BE 2566 modified with forged type handle.
- * To be painted (All door locking hardware shall be bolted to the doors before the container is painted).
- * Two locking bars per door.
- * No custom seal cover.
- * The door tiebacks: Dacron yacht line or Plastic covered stainless steel wire. If not available, will accept Nylon rope exceptionally.

4.2. Gasket

- * Double lipped “J” section E.P.D.M.
- * Retainer: Stainless steel strips fixed with stainless steel rivets at approx. 160 mm interval.

5. FRAMES

5.1. Front corner Host

- * Single open section, Min. 6.0 mm High tension steel (HTS).

5.2. Rear corner post

- * Outer “J” type section (Min. 6.0 mm—HTS)
- * Inner “C” channel section (Min. 10 mm—HTS)

5.3. Front ton rail

- * A square tube lower rail (Min 3.0 mm—SPA-H or <HTS>) and a pressed upper plate (Min. 3.2 mm—HTS) with top protection plates at each top corners (Min. 3.2 mm x 300 x 300 mm—SPA-H)

5.4. Door header

- * “U” section lower rail (Min. 4.5 mm—SPA-H or <HTS>) and a pressed upper plate (Min. 3.2 mm—SPA-H or <HTS>) with 4 pieces stiffening ribs (Min. 3.0 mm) at the behind of each cam keeper location and top protection plates.

5.5. Front bottom rails

- * “C” channel open section steel (Min. 4.5 mm—SPA-H or <HTS>) with—modified “C” channel type recess sill (Min. 8.0 mm) at both corners.

5.6. Rear sill

- * Modified channel shaped section steel plate (Min. 4.5 mm—SPA-H or <HTS>) with 4 pieces gussets (Min. 3.0 mm) at the behind of each cam keeper location and modified “C” channel type recess sill at both corners.

5.7. Top side rail

- * Square tube (over 3.2 mm—SPA-H)

5.8. Bottom side rail

- * “C” section opening outward (4.5 mm—SPA-H or <HTS>)

6. UNDERCARRIAGE

6.1. Crossmembers & Outriggers (40’)

- * “C” section (4.0 mm—SPA-H)

-
- * Width of top flange: Min. 45 mm and Min.75 mm for floor joint members.
 - * Width of bottom flange: Max. 45 mm.

6.2. Forklift pocket (20' only)

- * One pair with 6.0 mm thick 200 mm deep fork pocket straps.

6.3. Gooseneck Tunnel (40' only)

- * One piece OMEGA shaped top panel exposed type (Min. 4.0 min.—pressed “U” section tunnel bows (Min. 4.5 mm).
- * Tunnel length: 3,280 mm (Min. 3250 mm).

7. FLOORING

7.1. Floor board

- * “Plywood (Apitong or Keruing) 28 mm, over 17 plies.
- * Accept “Light weight plywood” combined “Hevea” material.
- * Only in case Apitong plywood is not quickly available, may allow a and soft-wood plywood upon checking.
- * No Kick-plate (Threshold plate).

7.2. Floor center rail

- * Stainless steel Hat section (2.3 mm), if not available Zinc-platea Hat section (Min. 2.3 mm).

7.3. Securing devices

- * Zinc-plated max. 8 mm dia with 16 mm head self-tapping screw’.

8. PAINTING

All materials shall be protected from the corrosive effects of the environments encounter shall be prepared for painting by chemically cleaning and blasting to remove mill scale oil. The prepared surface shall meet the specifications of the paint manufacturer for surface profile. The technical data sheets published by the paint manufacturer containing the coating description, and the preparation and application requirements shall be sub the container manufacturer’s specification.

(Zinc Rich Primer)

- * All steel surfaces must be applied Zinc rich primer (Min. 30 mic.). In case of shot primer 10 mic., Zinc primer (Min. 20 mic.) shall be painting line after assembly and blasting,

(Exterior surface)

- * 2nd primer shall be applied OFT 40 mic. for all exterior surface.
- * The exterior surfaces are to be painted Chlorinated rubber top CAI orange.
- * Total Min. DFT 110 mic except for roof (Min DFT 120 mic.)

(Interior surface)

- * Interiors must be top coated Min 45 mic. with 2 component epoxy. (C ray)
- * Total Min. DFT 75 mic.

(Base structure)

-
- * Tectyle 121-B: Min. OFT 170 mic (Total OFT min. 200 mic.)
 - * May accept to apply Bituminous Occasionally with Min DFT 250. DFT.300

Authorized CAI finish paint and color etc. -.See the attached (A)

9. SEALING

- * Chloroprene sealant shall be applied for “all visual seam of floor and interior unweld seam”.
- * Butyl sealant shall be used for floor joint area, between door gasket and frame.

10. MARKING

- * Authorized material: MEYERCORD 72A-02 WHITE GLOSS or SCOTCHCAL V-008
- * Nominated print manufacturer: Kochiam International.
- * Standard Marking drawings layout — See the attached (B).

11. RATING & TEST

- * Max Gross Weight: 30,480 kg / 20', 40'
- * Floor strength test: 7,260 kgs (16,000 lbs)

12. WARRANTY

- * Paint: 3 years, Markings: over 7 years, Others: One year after delivery.

13. OTHERS

- * Classification societies: Bureau Veritas (B.V.) or A.B.S.
- * Lashing rings: Min. 6 pieces per rail for 20', Min. 12 pieces per rail for 40'.
- * Lashing bars: Min. 2 pieces per post.
- * Plate: Consolidated data plate made of stainless steel shall be -fixed by stainless blind rivets. Contained data are TIR, TCT, Owner's address and CSC with CAI ACEP approval No. (ACEP / USA / 1992 /001),# ID number of CSC are to be CAXU serial number.
- * Permanent identification stamp:
Container number on the left hand and Manufacturer's number on the left hand rear lower corner castings.

Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality requested. Omissions are designated as [***]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

P&R MANAGEMENT AGREEMENT

P&R EQUIPMENT AND FINANCE CORP,
AS OWNER,
CONTAINER APPLICATIONS INTERNATIONAL,
INCORPORATED,
AS THE MANAGER,
AND
INTERPOOL CONTAINERS LIMITED,
AS A SUBMANAGER

Dated as of
March 14, 2006

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EXHIBIT A-2 – FINANCE LEASE—INTERPOOL CONTAINERS LIMITED

EXHIBIT A-3A – OPERATING LEASE—INTERPOOL CONTAINERS LIMITED

EXHIBIT A-3B – OPERATING LEASE—INTERPOOL CONTAINERS LIMITED

EXHIBIT A-4 – MASTER EQUIPMENT LEASE AGREEMENT—CAI

EXHIBIT A-5 – OPERATING LEASE—CAI

P&R MANAGEMENT AGREEMENT

This P&R MANAGEMENT AGREEMENT (as further amended, restated or otherwise modified from time to time in accordance with the terms hereof, the "Agreement") is made as of March 14, 2006 (the "Closing Date") among P&R EQUIPMENT AND FINANCE CORP, a Swiss company with its chief executive office at Industriestrasse 6, 6301 Zug, Switzerland (the "Owner"), CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, a Nevada Corporation having its principal place of business at One Embarcadero Center, San Francisco, California 94111 (individually, "CAI" and, in its capacity as manager, together with its successors and permitted assigns, the "Manager"), and INTERPOOL CONTAINERS LIMITED, a Barbados company with its chief executive office at 211 College Road East, Princeton, New Jersey 08540, as a Submanager (individually, "Interpool Containers Limited" and, in its capacity as a submanager, together with its successors and permitted assigns, a "Submanager").

RECITALS

WHEREAS, pursuant to a Sale Agreement dated as of the Closing Date, the Owner, or an Affiliate of the Owner, will purchase from Interpool Containers Limited certain intermodal marine cargo containers as of the Funding Date; and

WHEREAS, CAI is in the business of leasing Containers (as defined herein) to shipping lines and other Container users, and is experienced in the administration of a Container-management company; and

WHEREAS, the Owner desires to contract with CAI to manage the operation and leasing of the Owner Containers (as defined herein), and CAI desires to operate and lease the Owner Containers as part of the Managed Containers (as defined herein), and to perform certain specified administrative duties for the Owner, all as herein provided.

NOW, THEREFORE, in consideration of the premises and mutual representations, warranties, covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I. **DEFINITIONS.**

For purposes of this Agreement:

"Affiliate" means, when used with reference to a specified Person, any individual, partnership, corporation, trust or other entity that directly or indirectly controls, or is controlled by, or is under common control with, such Person, but that individual or entity shall be deemed an Affiliate of such Person only so long as such control continues to exist. For purposes of this definition, "control" or "controlled" or "controlling" or any variation thereof shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. For the sake of clarity, (i) the direct or indirect beneficial ownership of more than fifty percent (50%) of the outstanding

capital stock (or other ownership interests) of a corporation or other entity having the ordinary voting power to elect directors or their equivalent managing authority shall be presumed to be a controlling interest, and (ii) none of CAI or any of its affiliates shall be considered an Affiliate of the Owner or any of its respective affiliates. For the avoidance of doubt, PRB Limited shall be considered an Affiliate of the Owner. For the avoidance of doubt, CAI and Interpool Containers Limited shall not be considered to be Affiliates.

“Agreement” shall have the meaning set forth in the Preamble of this Agreement.

“Agreement Termination Date” means the date upon which all Owner Containers have become Terminated Owner Containers.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banking institutions in New York City are authorized or are obligated by law, executive order or governmental decree to be closed, and in the case of any payments hereunder, a “Business Day” shall also be a day on which dealings in US Dollars are effected in London, England.

“CAI” shall have the meaning set forth in the Preamble of this Agreement.

“CAI-Managed Container” means all Owner Containers managed by CAI pursuant to the terms of this Agreement. For the avoidance of doubt, for so long as Interpool Containers Limited is sub-managing an Owner Container in accordance with the terms of this Agreement, such Owner Container shall not be considered a CAI-Managed Container until such time as such Owner Container is no longer an Interpool Container or Interpool Containers Limited resigns or is removed as Submanager hereunder.

“CAI Management Fee” means a fee that shall not be less than zero dollars (\$0), earned by the Manager for each calendar month from the Cut-Off Date for the management of the Owner Containers that are CAI-Managed Containers (and are not sub-managed by Interpool Containers Limited, in its capacity as a Submanager hereunder), equal to the sum of:

- (a) the *** for such calendar month for the Owner Containers that are CAI-Managed Containers subject to a Master Lease, *** and
- (b) the *** for such calendar month for the Owner Containers that are CAI-Managed Containers subject to a Term Lease, *** and
- (c) for all Finance Lease Containers that are CAI-Managed Containers, the *** for such calendar month ***.

“Capital Improvements” means (a) any major structural changes required to be made to Owner Containers so as to conform with: (i) any applicable governmental and /or regulatory standards; (ii) then current IICL standards; and (b) any testing and/or re-rating of the Containers required to conform the Containers to changes in prevailing regulatory or generally accepted commercial standards in the container leasing and/or intermodal shipping industries. Capital Improvements do not include repairs or maintenance, which are required as a result of normal wear and tear or damage caused in the operation of the Containers.

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“Casualty Loss” means any of the following events with respect to any Container:

(a) if such Container is not subject to a Lease, (i) the actual total loss of such Container, (ii) the Manager’s Knowledge that such Container has become lost, stolen or destroyed, (iii) thirty (30) days following the Manager’s determination that such Container is damaged beyond economic repair or permanently rendered unfit for use for any reason whatsoever, or (iii) the seizure, condemnation or confiscation of such Container for a period exceeding sixty (60) days, or

(b) if such Container is subject to a Lease, such Container shall have been deemed under its Lease to have suffered a casualty loss.

“Casualty Proceeds” means, for any accounting period, all proceeds received by the Manager from insurance or other sources, including amounts received from the insurance specified in Sections 10.1 and 10.2, as a result of a Casualty Loss with respect to the Owner Containers during such accounting period.

“CEU” means a cost-equivalent unit that is a fixed unit of measurement based on the cost of a Container relative to the cost of a twenty (20) foot standard dry freight Container.

“CEU Available Days” means, with respect to the Managed Containers or the Owner Containers, as the case may be, the aggregate of the individual products, for each Container Type, of: (a) the total number of days in a given period that all Containers of such Container Type are managed by the Manager, multiplied by (b) the CEU Value of such Container Type.

“CEU Value” means, (a) for an individual Container, the value of such Container based on its Container Type, as set forth in Schedule 1 hereto, and, (b) for a group of Containers, the sum of the individual products, for each Container Type in such group, of (x) the total number of Containers of such Container Type in such group, multiplied by (y) the value of such Container based on its Container Type, as set forth in Schedule 1 hereto.

“Claims or Losses” shall have the meaning set forth in Section 20.1.

“Closing Date” shall have the meaning set forth in the Preamble of this Agreement.

“Collateral Tracking System” shall have the meaning set forth in Section 7.6.

“Confidential Information” shall have the meaning set forth in Section 7.8(a).

“Consequential Damages” shall have the meaning set forth in Section 8.2.

“Container” means any dry cargo, refrigerated, open top, flat rack, domestic storage, tank, high cube or other type of marine intermodal container.

“Container Disposal” shall have the meaning set forth in Section 3.3(g).

“Container Identification Number” means, for any Container, the unique alpha-numeric reference assigned to such Container which is painted on or affixed to such Container.

“Container Lender” means any bank, financial institution or credit company which lends money to the Owner which loan is secured by one or more Owner Containers and the related Leases.

“Container Lender Agent” means such Person who may be designated in writing from time to time by the Container Lenders to accept notices and reports required to be delivered hereunder to the Container Lenders; initially, such Person shall be Fortis Capital Corp.

“Container Sale” means, for any Owner Container, a completed sale transaction, authorized and consented to in advance in writing by the Owner, other than a Container Disposal, Casualty Loss, Fleet Sale, Owner Affiliate Container Sale or any sale to Manager or Submanager.

“Container Type” means the type of a Container, as set forth in Schedule 1 hereto.

“Contingency Insurance” shall have the meaning set forth in Section 10.2.

“Cut-Off Date” shall mean April 1, 2006.

“Distributable Net Owner Proceeds” shall have the meaning set forth in Section 6.1(a).

“Event of Manager Default” shall have the meaning set forth in Section 13.3(a).

“Event of Owner Default” shall have the meaning set forth in Section 13.3(b).

“Finance Lease” means, as of any period of determination, any Lease of one or more Containers that satisfies the criteria for classification as a direct financing lease pursuant to GAAP.

“Finance Lease Containers” means, as of any date of determination, all Owner Containers that are subject to a Finance Lease.

“Finance Lease Payments” means, for any period of determination, all amounts received by the Manager, on behalf of the Owner, in connection with the ownership, use or operation of any Finance Lease Containers, including but not limited to rental, handling, Location Revenue and other rental-related charges arising from the leasing of such Finance Lease Containers, but excluding Miscellaneous Owner Proceeds, Casualty Proceeds, Indemnification Proceeds and Sales Proceeds.

“Fleet Sale” shall have the meaning set forth in Section 9.3.

“Force Majeure” shall have the meaning set forth in Section 18.

“Funding Date” shall have the meaning set forth in the Sale Agreement.

“GAAP” means those generally accepted accounting principles in the United States as in effect from time to time. Unless otherwise defined or the context otherwise requires, all accounting terms used herein shall be construed, and all accounting determinations and computations required hereunder shall be made, in accordance with GAAP in effect on the date on which they are applied, and shall be applied consistently throughout the relevant periods.

“Governmental Authority” means (a) any national, state or other sovereign government, and any federal, regional, state, provincial, local, city government or other political subdivision, (b) any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality or public body, (c) any court or administrative tribunal or (d) with respect to any Person, any arbitration tribunal or other non-governmental authority to whose jurisdiction that Person has consented.

“Gross Revenue” means all revenue (without reduction for expenses or costs), calculated on an accrual basis in accordance with GAAP, earned in connection with the ownership, use or operation of the Owner Containers, or the relevant portion thereof (or where indicated the Managed Containers), including, but not limited to, rental, handling, repair bill proceeds, Location Revenue, damage protection, interchange fees and other rental-related charges arising from the leasing of such Containers, but excluding Miscellaneous Owner Proceeds, Casualty Proceeds, Indemnification Proceeds, Finance Lease Payments and Sales Proceeds.

“IICL” means the Institute of International Container Lessors.

“Indemnification Proceeds” means, for any accounting period, all proceeds received by the Manager from Lessees pursuant to the Leases, insurance or other sources, including amounts received from the insurance specified in Sections 10.1 and 10.2, for indemnification of liability and loss with respect to the Owner Containers during such accounting period, but excluding Casualty Proceeds and Miscellaneous Owner Proceeds.

“Independent Accountant” means an independent certified public accounting firm of recognized national or regional standing in the United States.

“Interpool” means Interpool, Inc., a Delaware corporation.

“Interpool Containers Limited” shall have the meaning set forth in the Preamble.

“Interpool Containers” means those Owner Containers subject to an Interpool Lease (determined by reference to Schedule 4C of the PRB Management Agreement), including any renewal or extension of the term thereof, and any other Owner Container that becomes subject to an Interpool Lease from time to time. Upon the redelivery of any Interpool Containers subject to an Interpool Lease, whether upon expiration of such Interpool Lease, or upon a default by a Lessee or otherwise, such Owner Container shall no longer be deemed an Interpool Container for purposes of this Agreement, including, without limitation, for purposes of calculating the Interpool Management Fee.

“Interpool Lease” means (i) those Leases that relate to an Owner Container (determined by reference to Schedule 4D of the PRB Management Agreement) (solely to the extent they relate to an Owner Container); and, (ii) any such additional Leases as may be arranged by Interpool Containers Limited (or an Affiliate thereof) after the Funding Date to the extent related to Owner Containers that are Interpool Containers.

“Interpool Management Fee” shall mean a fee that shall not be less than zero dollars (\$0), earned by Interpool Containers Limited, in its capacity as Submanager for each calendar month from the Cut-Off Date for the management of the Owner Containers that are Interpool Containers, payable for so long as Interpool Containers Limited is a Submanager hereunder, equal to the sum of:

- (a) the *** for such calendar month for the Owner Containers that are Interpool Containers subject to a Master Lease, *** and
- (b) the *** for such calendar month for the Owner Containers that are Interpool Containers subject to a Term Lease, *** and
- (c) for all Finance Lease Containers that are Interpool Containers, the *** for such calendar month ***.

“Knowledge” means, with respect to a Person and a particular fact or other matter, one of the following: (i) such Person is actually aware of such fact or other matter or (ii) (except when Knowledge is stated to be “actual Knowledge”) a prudent Person would more likely than not have discovered or otherwise become aware of such fact or other matter in the course of their ordinary responsibilities. Each party hereto shall be deemed to have “Knowledge” of a particular fact or other matter if any of their respective directors and officers with the authority to establish policy for the party is actually aware of such fact or other matter, or (except when Knowledge is stated to be “actual Knowledge”) such party would more likely than not have discovered or otherwise become aware of such fact or other matter in the course of conducting a reasonably diligent investigation concerning the truth or existence of such fact or other matter.

“Lease” means a lease, or a sublease through one or more Affiliates of the Manager or the Submanager, for one or more Owner Containers (but only to the extent such Lease relates to the Owner Containers): (i) between the Manager (or an Affiliate of the Manager) and a Lessee; or (ii) with respect to Interpool Containers, between Interpool Containers Limited (or an Affiliate of Interpool Containers Limited) and a Lessee.

“Lessee” means the lessee or sublessee of one or more Managed Containers under a Lease.

“Lien” means any mortgage, pledge, security interest, lien or other charge or encumbrance, including the lien or retained security title of a conditional vendor, upon or with respect to any property or assets.

“List of Containers” A true and complete list of all Owner Containers as of the end of each calendar month: (i) Container Identification Number, (ii) description and type, (iii) acquisition date, (iv) if subject to a Lease, the identity of the Lessee, the related Lease number and Lease type, the per diem rental in effect at month end, the Lease start and expiry dates, whether an option to purchase such Owner Container has been granted and amount for which any such purchase option may be exercised, and whether the Owner Container is covered by Damage Protection Plan coverage, and (v) if not subject to a Lease, its location and repair status.

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“Location Revenue” means the net amount (which can be a positive or negative number) of charges and credits to Lessees related to delivery and return of Containers in geographic locations, including but not limited to Container pick-up charges and Container drop-off charges.

“Managed Containers” means all of the Containers managed by the Manager and sub-managed by the Submanager as of the relevant date of determination, including, but not limited, to the Owner Containers.

“Management Fee” means the CAI Management Fee and/or the Interpool Management Fee, as applicable.

“Manager” means CAI until a Replacement Manager Effective Date, and thereafter the Replacement Manager.

“Manager Change of Control” means that: (a) (i) the Manager or, so long as it acts as in such capacity, any Submanager, sells, assigns, conveys, transfers, leases or otherwise disposes of (in each case, whether in one transaction or a series of related transactions) in excess of *** of its assets to any Person; or (ii) (x) the Manager or, so long as it acts as in such capacity, any Submanager, amalgamates or consolidates with, or merges with or into, another Person, or (y) any Person amalgamates or consolidates with, or merges with or into, the Manager or such Submanager, and, after giving effect to the transactions described in clause (i) or (ii), the beneficial owners of Manager or such Submanager immediately prior to the transaction own less than *** of the beneficial ownership of Manager or such Submanager immediately after the transaction.

“Manager Default” shall have the meaning set forth in Section 13.1.

“Manager Indemnified Parties” shall have the meaning set forth in Section 20.1.

“Manager Reports” means reports, in the format which the Manager uses for the Managed Containers, which itemize Gross Revenue, Operating Expenses, NOI, Net Owner Proceeds, Distributable Net Owner Proceeds, utilization, Container additions, disposals, lease outs and returns and on-hire status for the Owner Containers and Owner Affiliate Containers, or the relevant portions thereof, and which includes a list of the Manager’s top ten customers (in terms of gross lease revenues) and a list of Leases which the Manager has declared to be in default, such reports to be produced by the Manager in substantially the form as shown in Schedule 2A hereto.

“Master Lease” means a Lease, other than a Finance Lease or a Term Lease.

“Miscellaneous Owner Proceeds” means amounts received by the Manager (a) from the manufacturers or sellers of Owner Containers for breach of sale warranties relating thereto, and (b) in payment or settlement of any claims, losses, disputes or Proceedings relating to the Owner Containers, including proceeds from the insurance specified in Sections 10.1 and 10.2 for damage to such Containers; provided however that Miscellaneous Owner Proceeds shall not include Sales Proceeds, Casualty Proceeds, Finance Lease Payments and Indemnification Proceeds.

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“Net Owner Proceeds” means, for any period of determination, an amount equal to the excess of:

(a) the sum of (i) Gross Revenue for the Owner Containers, (ii) Casualty Proceeds, (iii) Sales Proceeds, (iv) Finance Lease Payments, (v) Miscellaneous Owner Proceeds, and (vi) Indemnification Proceeds for the Owner Containers, in each case determined pursuant to the provisions of this Agreement, over

(b) the sum of (i) Operating Expenses for the Owner Containers, (ii) the applicable Management Fee; (iii) any Sales Fees, plus (iv) any other payments that are owed by Owner to Manager pursuant to this Agreement, in each case determined pursuant to the provisions of this Agreement.

“NOI” means, for any accounting period, Gross Revenue for the Owner Containers, or the relevant portion thereof, for such period minus Operating Expenses for the Owner Containers, or the relevant portion thereof, for such period.

“OFAC” The Office of Foreign Assets Control of the United States Department of the Treasury.

“Operational Review” shall have the meaning set forth in Section 7.7(a).

“Operating Expenses” means all direct and indirect expenses and costs, calculated on an accrual basis in accordance with GAAP, incurred by the Manager in connection with the ownership, use or operation of the Owner Containers, or the relevant portion thereof (or, where indicated, the Managed Containers), including but not limited to: (i) agency costs and expenses; (ii) depot fees, handling, and storage costs and expenses; (iii) survey, maintenance and repair expenses (including the actual or estimated cost of repairs to be made pursuant to a damage protection plan); (iv) repositioning expense; (v) the cost of inspecting, marking and remarking such Containers; (vi) third-party fees for bankruptcy recovery; (vii) bad debt expense; (viii) audit fees related to the annual review by the Manager’s (or any Submanager’s) Independent Accountant of the Gross Revenue, Operating Expenses and Management Fees for the Managed Containers (but excluding the accounting fees for the audit or accounting work referenced in Section 7.2); (ix) expenses, liabilities, claims and costs (including without limitation reasonable attorneys’ fees) incurred in connection with enforcing rights under the Leases of such Containers or repossessing such Containers; (x) insurance expense (including, without limitation, insurance obtained by the Manager pursuant to the provisions of Section 3.3(h)); (xi) taxes, levies, duties, charges, assessments, fees, penalties, deductions or withholdings assessed, charged or imposed upon or against such Containers, including but not limited to ad valorem, gross receipts and other property taxes imposed against such Containers or against the revenues generated by such Containers, but excluding for the avoidance of doubt any income, net profits or similar taxes, or any interest or penalties or additions related thereto imposed on the Manager in respect of its services; (xii) expenses, liabilities, claims and costs (including without limitation reasonable attorneys’ fees) incurred by the Manager or made against the Manager by any third party arising directly or indirectly (whether wholly or in part) out of the state, condition, operation, use, storage, possession, repair, maintenance or transportation of such Containers; (xiii) expenses and costs (including without limitation reasonable attorneys’ fees) of pursuing claims against

manufacturers or sellers of such Containers on behalf of the Owner; and (xiv) non-recoverable sales and value-added taxes on such expenses and costs. Notwithstanding the foregoing, Operating Expenses shall in no event include ***. See Schedule 3 hereto for a list of the most common Operating Expenses with notations as to the method used to charge such expenses to Owner.

“Owner” shall have the meaning set forth in the Preamble of this Agreement.

“Owner Affiliate Container” means any Containers owned by PRB Limited as of the Funding Date, as listed on Schedules 4A and 4C to the PRB Management Agreement, excluding those Containers that are subsequently the subject of Owner Affiliate Container Sales (as set forth in the PRB Management Agreement) pursuant to the PRB Management Agreement.

“Owner Affiliate Container Sale” means any sale of an Owner Container (as defined in the PRB Management Agreement) by PRB Limited to Owner.

“Owner Bank Account” means a bank account identified by Owner to the Manager as the account to which all payments from the Manager to the Owner under the terms of this Agreement are to be deposited.

“Owner Containers” means any Containers acquired by the Owner pursuant to an Owner Affiliate Container Sale and of which PRB Limited has given the Manager notice pursuant to Section 9.5 of the PRB Management Agreement, but excluding any Terminated Owner Containers. For the avoidance of doubt, any Container that is subject to the terms of the PRB Management Agreement shall not be subject to this Agreement, provided that all calculations provided for in this Agreement and all reporting requirements required by this Agreement shall be combined with all reporting requirements under the PRB Management Agreement.

“Owner Default” shall have the meaning set forth in Section 13.2.

“Owner Indemnified Parties” shall have the meaning set forth in Section 20.2.

“PRB Limited” shall mean PRB Limited, a Bermuda corporation.

“PRB Management Agreement” shall mean that certain PRB Management Agreement, dated as of the Closing Date, among PRB Limited, a Bermuda corporation, the Manager, and Interpool Containers Limited, as a submanager.

“Permitted Liens” means, with respect to any Owner Container, any or all of the following: (i) Liens for taxes not yet delinquent or which are being contested in good faith by appropriate proceedings and for the payment of which adequate reserves are maintained; (ii) carriers’, warehousemen’s, mechanics, or other like Liens arising in the ordinary course of business and relating to amounts not yet due or which shall not have been overdue for a period of more than sixty (60) days or which are being contested in good faith by appropriate proceedings and for the payment of which adequate reserves are maintained; provided, however, in no event shall any such contest result in the loss of the affected Container; (iii) Leases entered into in the

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ordinary course of business providing for the leasing of such Container; (iv) with respect to any Container then on lease to a Lessee, any purchase option in favor of such Lessee that is set forth in such Lease; provided that any proceedings of the type described in clauses (i) and (ii) above could not (A) reasonably be expected to subject the Owner to any civil or criminal penalty or liability or (B) involve any significant risk of material loss, sale or forfeiture of all, or any material portion of, the Owner Containers.

“Person” means an individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, an estate, a Governmental Authority or other entity.

“Proceeding” means any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), prosecution, contest, hearing, inquiry, inquest, audit, examination or investigation that is, has been or may in the future be commenced, brought, conducted or heard at law or in equity or before any court or other tribunal or Governmental Authority, or any arbitrator or arbitration panel.

“Recipient” shall have the meaning set forth in Section 7.8(a).

“Recipient Parties” shall have the meaning set forth in Section 7.8(a).

“Remittance Date” shall have the meaning set forth in Section 6.1(a).

“Reporting Period” means, with respect to any Remittance Date, the period from the first day of the calendar month two months prior to such Remittance Date through the last day of such calendar month, such that an April 30 Remittance Date would correspond to amounts accrued under GAAP in February; provided that the initial Reporting Period shall be from the Cut-Off Date through the last day of such calendar month, unless otherwise agreed between the Owner and the Manager.

“Replacement Manager” means any other Person appointed by the Owner in accordance with the terms of this Agreement to replace CAI (or Interpool Containers Limited, as Submanager) as manager of the Owner Containers (or Interpool Containers Limited, as Submanager of the Interpool Containers) hereunder upon (a) the resignation of CAI as Manager (pursuant to the provisions of Section 12.2) or (b) the termination of CAI as Manager (pursuant to the provisions of Section 13.4).

“Replacement Manager Effective Date” means the date that a Replacement Manager has assumed the responsibilities of the Manager in accordance with the terms of this Agreement.

“Sale Agreement” means that certain Sale Agreement, dated as of the Closing Date, among Interpool Containers Limited, Interpool, Inc., and P&R Equipment and Finance Corp.

“Sales Fee” means a fee payable by the Owner to the Manager in connection with the sale of an Owner Container in accordance with the provisions of Section 3.3(g), in an amount equal to the product of (i) *** and (ii) the Sales Proceeds received by, or on behalf of, the Owner in connection with the sale of such Container.

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“Sales Proceeds” means the gross proceeds received from the sale of a Container (excluding an Owner Affiliate Container Sale or a sale through a Finance Lease or an operating lease with a purchase option) less any repair costs, payments on account of accrued rent, any taxes, commissions, administrative fees, handling charges or other amounts paid or to be paid to unaffiliated third parties in connection with such sale, as determined in the reasonable discretion of the Manager.

“Sanctioned Country” means a country subject to a sanctions program identified on the list maintained by OFAC and available at <http://www.treas.gov/offices/eotffc/ofac/sanctions/index.html>, or as otherwise published from time to time.

“Sanctioned Person” means any of the following currently or in the future: (i) a person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at <http://www.treas.gov/offices/eotffc/ofac/sdn/index.html>, or (ii) (A) an agency of the government of a Sanctioned Country, (B) an organization controlled by a Sanctioned Country, or (C) a person resident in a Sanctioned Country, to the extent the agency, organization, or person is subject to a sanctions program administered by OFAC.

“Split Lease” means any lease to which an Owner Container is subject that also relates to containers that are not Owner Containers.

“Submanager” means any submanager appointed pursuant to the provisions of Section 15 hereof, including, without limitation, Interpool Containers Limited for so long as it serves as a Submanager hereunder in accordance with Section 15.2.

“Term” shall have the meaning set forth in Section 12.1.

“Term Lease” means a Lease of Containers, other than a Finance Lease, having an initial term of twenty-four (24) months or greater.

“Terminated Owner Container” means any Owner Container: (i) that has suffered a Casualty Loss and for which all Casualty Proceeds and any other amounts payable in connection therewith have been paid, (ii) that has been sold or otherwise disposed pursuant to the terms of this Agreement, or (iii) as to which the Manager has no further obligation under Section 12.2.

“Termination Date” shall have the meaning set forth in Section 13.3(a).

“Transaction Manager” shall mean such Person who may be designated in writing from time to time by the Owner to Manager to accept and deliver such notices and reports and otherwise exercise such rights as are expressly provided in this Agreement to be exercised by the Transaction Manager. In the absence of such designation, or during the continuance of any vacancy, such Person shall be the Owner. Initially, such Person shall be Hakman Capital Corporation.

“Transaction Manager Report” shall have the meaning set forth in Section 6.1(a).

“Transactions” shall have the meaning set forth in Section 7.8(f).

“US\$ or US Dollars” means the lawful currency of the United States of America.

ARTICLE II.
APPOINTMENT.

Section 2.1 Appointment. Upon and pursuant to the terms and conditions hereinafter provided, the Owner hereby appoints the Manager for the Term to operate, lease and manage the Owner Containers on behalf of the Owner. Subject to the provisions of this Agreement, in furtherance of the foregoing the Owner hereby grants to the Manager the authority as its lawful agent to: (i) enter into, administer and terminate Leases with respect to the Owner Containers, (ii) sell, transfer or otherwise dispose of the Owner Containers and (iii) collect monies and make disbursements on behalf of the Owner with respect to the Owner Containers. The Owner Containers shall remain subject to the provisions of this Agreement and the Manager shall be entitled to retain possession and control of such Containers, subject to the Leases, until such Containers become Terminated Owner Containers. The Manager hereby accepts such appointment and agrees to perform such functions upon the terms and conditions herein.

Section 2.2 Standard of Performance. The duties of the Manager and the Submanager will be limited to those expressly set forth in this Agreement, and neither the Manager nor the Submanager will have any fiduciary or other implied duties or obligations to the Owner.

Section 2.3 Relationship between Owner, Manager and Submanager. All of the functions, duties and services performed by the Manager and the Submanager under this Agreement shall be performed by the Manager and the Submanager, respectively, as an independent contractor and not as agent of the Owner except to the limited extent set forth in the following sentence. The Manager does not have the authority to act as agent of the Owner, and the Manager, in its capacity as such, does not, except to the extent of its role as agent of the Owner specified in Sections 2.1 and 9.3, have the authority to bind the Owner or its assets. The Owner does not have liability for the acts of the Manager.

Section 2.4 Retention of Rights. The Owner shall at all times retain any and all rights and interests as the owner of the Owner Containers pursuant to the terms and conditions of this Agreement, notwithstanding the management thereof by the Manager hereunder. The Manager shall not make reference to or otherwise deal with or treat the Owner Containers in any manner except in conformity with this Section 2; and the Manager shall defend the right, title, and interest of the Owner and its successors and assigns in, to, and under the Owner Containers against all claims of third parties (including Lessees) asserting any Lien thereon (other than Permitted Liens) or other interest therein arising through or due to any actions of the Manager or any Lessee.

Section 2.5 Non-Disclosure. The Manager shall not be required to disclose to any Lessee the interest of the Owner or any lessor in and to any Owner Container or whether the Manager may be acting as principal, agent or otherwise with respect to any specific Container.

ARTICLE III.
TENDER OF CONTAINERS; DUTIES OF MANAGER.

Section 3.1 Tender of Containers. Owner shall tender all of the Owner Containers on the Funding Date. In connection with tendering such Owner Containers:

(a) Owner shall reimburse Manager for all expenses incurred by Manager in accepting and assuming control of Owner Containers including, without limitation, any expenses incurred in making those repairs necessary so that such Owner Containers meet IICL standards for use in international maritime shipping, expenses incurred in connection with the removal of Liens, and the cost of positioning the Container to the nearest CAI depot.

(b) Owner shall provide Manager with a copy of all books and records pertinent to the Owner Containers that Manager may reasonably request in connection with the performance of its duties hereunder, including without limitation, if the Owner Container is tendered at a time when it is subject to a lease, a true and correct copy of such Lease.

(c) Owner agrees to cooperate with Manager as reasonably requested by Manager to enable Manager to perform its obligations under this Agreement.

Section 3.2 [intentionally omitted.]

Section 3.3 Management Functions. The Manager shall, in the name of the Manager but on behalf of the Owner, manage and administer the Owner Containers, arrange the leasing or subleasing and enter into Leases of such Containers, and administer such Leases. Without prejudice to the generality of the foregoing the Manager shall:

(a) subject to clause (g) below, decide, for each Owner Container, the identity of each Lessee, the period of the Lease, the rental or other sums payable thereunder, and the form and content of each Lease (which Lease may take the form of Master Lease, Term Lease or such other form determined in the reasonable discretion of the Manager or, with the consent of the Owner, a Finance Lease, in each case in accordance with the standard of service set forth in Section 3.4 hereof; provided, however that such forms shall not without Owner's prior written consent (which consent shall not be unreasonably withheld) deviate substantially from the forms of leases heretofore provided the Owner and attached hereto as Exhibits A-1, A-2, A-4, A-5 and A-5; seek Lessees, arrange for the leasing or subleasing of the Owner Containers and enter into Leases (which Leases may take the form of Master Lease, Term Lease, Finance Lease or such other form determined in the reasonable discretion of the Manager in accordance with the standard of service set forth in Section 3.4 hereof) in the name of the Manager, subject to the proviso set forth in Section 2.5; and invoice and collect all amounts due pursuant to the Leases;

(b) perform on behalf of the Owner the obligations of the lessor under the Leases;

(c) exercise all rights of the lessor under the Leases, including without limitation the invoicing and collection of rental and other payments due from the Lessees;

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- (d) take any actions the Manager deems necessary to ensure compliance by the Lessees with the terms of their Leases;
- (e) log interchanges of the Owner Containers including the return and release of such Containers from depots;
- (f) inspect, repair, maintain, service and store the Owner Containers to the highest of the following standards: (i) those required under industry convention or governmental law or regulation; (ii) those required by the terms of any insurance policy provided by the Manager under which such Containers are insured; and (iii) those of prudent companies in the same industry;
- (g) sell, (i) in a manner consistent with the standard of service set forth in Section 3.4 hereof, any Owner Containers subject to a Lease with a purchase option (to the extent any such purchase option has been disclosed to the Owner), or (ii) with the prior written consent of the Owner, any Owner Container (each such sale, a "Container Disposal");
- (h) obtain insurance in accordance with the provisions of Section 10.2 and in respect of any matters which the Manager considers necessary or prudent, including without limitation public liability insurance;
- (i) follow such credit policies with respect to the leasing of the Owner Containers as it follows from time to time with respect to the Managed Containers and, subject to such credit policies, the Manager may, in its sole discretion (i) determine and approve the creditworthiness of any Lessee (but the Manager makes no representation and warranty to the Owner or any other Person as to the solvency or financial stability of any Lessee or the ability of any Lessee to pay rent), (ii) determine that any amount due from any Lessee is not economically collectible, (iii) institute and prosecute legal Proceedings against a Lessee as permitted by applicable law, (iv) terminate or cancel any Lease, (v) recover possession of the Owner Containers from any Lessee, (vi) settle, compromise or release any Proceeding or claim against a Lessee in the name of the Manager or, if appropriate, in the name of the Owner, or (vii) reinstate any Lease;
- (j) ensure that each of the Owner Containers carries its Container Identification Number and other markings as may be required for its operation in marine and intermodal shipping;
- (k) institute and prosecute claims against the manufacturers of the Owner Containers as the Manager may consider advisable for breach of warranty, any defect in condition, design, operation or fitness or any other non-conformity with the terms of manufacture and/or the related purchase agreement;
- (l) contract for the services included in the definition of the term "Operating Expenses" and promptly pay for such services;
- (m) not lease, or knowingly consent to the sublease of, an Owner Container to a Sanctioned Person (other than pursuant to a license issued by OFAC);
- and
- (n) prepare and deliver the reports required pursuant to Section 7.

Section 3.4 Standard of Service. In performing its duties and obligations pursuant to this Agreement and providing the services described herein, the Manager shall perform its duties on a fair and equitable basis, operate the Owner Containers on a non-discriminatory basis, in accordance with its reasonable business practices and with no less than the same skill and care with which it manages all of the Managed Containers without preference to ownership thereof, provided that it shall not be deemed a violation of this Section 3.4 to the extent that a preference is a result of age or configuration of the Containers and reflects market preferences. During the entire Term the Manager shall operate the Owner Containers in a manner consistent with the customary practices of other managers of comparable leases and equipment. Subject to the provisions of this Section 3.4, the Manager shall have absolute discretion as to the manner of performance of its duties and the exercise of its rights under this Agreement. WITHOUT LIMITING THE FOREGOING AND FOR THE AVOIDANCE OF DOUBT, THE MANAGER DOES NOT MAKE AND HEREBY DISCLAIMS FOR THE ENTIRE TERM HEREOF ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY OR GUARANTEE REGARDING ANY FINANCIAL PERFORMANCE OF THE OWNER CONTAINERS, INCLUDING ANY ABILITY OF THE OWNER OR ANY THIRD PARTY TO PAY THE OBLIGATIONS UNDER ANY INDEBTEDNESS SECURED BY THE OWNER CONTAINERS AT ANY TIME.

Section 3.5 Compliance with Laws. The Manager will comply, or use commercially reasonable efforts to cause Lessees to comply, in all material respects, with all acts, rules, regulations, orders, decrees and directions of any Governmental Authority applicable to the Owner Containers or any part thereof, except to the extent non-compliance could not reasonably be expected to have a material adverse effect on the ability of the Manager to perform its obligations under this Agreement; provided however that the Manager may, to the extent not otherwise prohibited under this Agreement, contest any act, regulation, order, decree or direction in any reasonable manner which shall not materially and adversely affect the rights of the Owner or its successors and assigns in the Owner Containers.

Section 3.6 Corporate Existence. The Manager will keep in full effect its existence, rights and franchises as a corporation organized under the laws of the State of Nevada, and will obtain and preserve its qualification in each jurisdiction in which the absence of such qualification could reasonably result in a material adverse effect on the Manager's ability to perform its duties and obligations hereunder or otherwise result in a material adverse effect on the rights of the Owner with respect to the Owner Containers. Notwithstanding the foregoing, Manager may reincorporate into the State of Delaware, provided that such reincorporation does not adversely affect Manager's ability to perform its services hereunder.

Section 3.7 Preservation of Security Interest; Possession of Leases. The Manager is holding the Leases (to the extent, but only to the extent that, such Leases relate to the Owner Containers) on behalf of, and for the benefit of, the Owner. With respect to the Leases, none of such Leases shall have any marks or notations indicating that such Leases (insofar as they pertain to the Owner Containers) have been pledged, assigned or otherwise conveyed to any named Person; provided, however, any such Leases may have marks relating to security interests that have been previously terminated or that may be related to Containers that are not Owner Containers.

ARTICLE IV.
AUTHORITY; CONSENTS.

The Owner confers on the Manager all such authorities and grants all such consents as may be necessary for the Manager's performance of its duties under this Agreement, and will, at the request of the Manager, confirm any such authorities and consents to any third parties, execute such other documents and do such other things as the Manager may reasonably request for the purpose of giving full effect to this Agreement and enabling the Manager to carry out its duties hereunder.

ARTICLE V.
REMUNERATION.

Section 5.1 Management Fee.

(a) In consideration of the Manager providing management services to the Owner hereunder, the Owner shall pay the Management Fee to the Manager for each calendar month during the Term. So long as no Event of Manager Default hereunder has occurred and so long as the Manager has not been terminated pursuant to the terms of this Agreement, the Manager (and any Submanager) shall be entitled to withhold such Management Fee from amounts required to be deposited into the Owner Bank Account, such withholding to be accomplished as described in Section 6.2; otherwise the Owner shall pay the Management Fee to the Manager within ten (10) days following receipt by the Owner of an invoice for such Management Fee from the Manager.

(b) For the avoidance of doubt, to the extent that the Manager engages any Submanager (other than Interpool Containers Limited), any management fee due and payable to such Submanager shall be payable by the Manager out of the Management Fee payable under this Agreement, and the Owner shall have no obligation to pay any such Submanager any additional amounts. Notwithstanding anything contained in the prior sentence to the contrary, the Owner shall pay the Interpool Management Fee to Interpool Containers Limited for so long as Interpool Containers Limited acts as a Submanager hereunder. So long as no Event of Manager Default hereunder has occurred and so long as the Submanager has not been terminated pursuant to the terms of this Agreement, Interpool Containers Limited, in its capacity as Submanager, shall be entitled to withhold such Interpool Management Fee from amounts required to be deposited into the Owner Bank Account, such withholding to be accomplished as described in Section 6.2; otherwise, the Owner shall pay the Interpool Management Fee to Interpool Containers Limited, in its capacity as Submanager, within ten (10) days following receipt by the Owner of an invoice for such Interpool Management Fee from the Submanager.

Section 5.2 Sales Fee. In consideration of the Manager providing the services described in Section 3.3(g), the Owner shall pay a Sales Fee to the Manager for each sale of an Owner Container unless such sale is (i) to the Manager or an Affiliate of the Manager (unless such sale is, in the determination of the Owner, necessary to facilitate the ultimate disposition of such Container), or (ii) an Owner Affiliate Container Sale. So long as no Event of Manager Default hereunder has occurred and so long as the Manager has not been terminated pursuant to

the terms of this Agreement, the Manager shall be entitled to withhold such Sales Fee from amounts required to be deposited into the Owner Bank Account, such withholding to be accomplished as described in Section 6.2; otherwise the Owner shall pay the Sales Fee to the Manager within ten (10) days following receipt by the Owner of an invoice for such Sales Fee from the Manager. No Sales Fee shall be payable in connection with any Owner Container that is subject to a Casualty Loss.

ARTICLE VI.
PAYMENTS TO AND FROM OWNER.

Section 6.1 Distribution of Net Owner Proceeds.

(a) Based on the information provided in the Manager Report, which shall include the amount of Net Owner Proceeds available for distribution (which amount shall take into account any amounts withheld by the Manager pursuant to Section 6.1(b)(i) or Section 6.2 and any exercise by the Manager of its right to remit less than Net Owner Proceeds pursuant to Section 6.1(b)(ii) (“Distributable Net Owner Proceeds”), the Transaction Manager shall, no later than five (5) Business Days prior to each Remittance Date, notify the Manager in writing (the “Transaction Manager Report”) of the allocation of Distributable Net Owner Proceeds among the Owner and the Owner under the PRB Management Agreement. The sum of (i) Distributable Net Owner Proceeds (as defined in the PRB Management Agreement) and (ii) Distributable Net Owner Proceeds (as defined in this Agreement) shall be equal to the total “Distributable Net Owner Proceeds” set forth on the Manager Report. Subject to the other provisions of Sections 6.2, 6.3, 6.4 and 6.5, the Manager shall, no later than sixty (60) days after the last Business Day of each calendar month (such date, a “Remittance Date”), distribute and deposit into the Owner Bank Account the Distributable Net Owner Proceeds specified by the Transaction Manager (or, if the Transaction Manager has failed to deliver the Transaction Manager Report within the designated timeframe specified above, by the Container Lender Agent or its designee) for such month.

(b)(i) Notwithstanding anything to the contrary contained in this Section 6.1 or elsewhere in this Agreement, to the extent that amounts actually collected by the Manager with respect to the Owner Containers are less than the Net Owner Proceeds, the Manager shall have the option to remit only the amount collected in the collection period related to such Reporting Period (less the sum of (A) Operating Expenses allocable to Owner Containers, (C) the applicable Management Fee, (C) any Sales Fees, and (D) any other payments that are owed by Owner to the Manager pursuant to this Agreement, in each case determined pursuant to this Agreement).

(ii) If and to the extent the Manager remits any Net Owner Proceeds which amounts are not collected, the Manager shall have the right to withhold from future collections that would otherwise be payable as Net Owner Proceeds an amount equal to the amounts remitted but not collected.

(c) Notwithstanding anything to the contrary contained in Section 6.1(a), after the occurrence of and during the continuation of an Event of Manager Default, in the discretion of

the Owner, the Owner may (in addition to the remedies set forth in Section 12.2) require the Manager to make such distributions of Net Owner Proceeds as frequently as monthly; provided the Transaction Manager shall deliver the Transaction Manager Report on a monthly basis.

(d) For the avoidance of doubt, any obligation of the Manager to *** for the credit risk of the lessees under the Leases.

(e) Without limiting anything to the contrary set forth in this Agreement, the Manager shall have no liability to the Owner, the Container Lenders or the Transaction Manager, or any of their successors or assigns, for any miscalculation or incorrect information in the Transaction Manager Report or for the Transaction Manager's (or, to the extent the Container Lender Agent acts as the Transaction Manager or fulfills any of the duties of the Transaction Manager, the Container Lender Agent's) failure to comply with any of its obligations hereunder, including, without limitation, any failure of the Transaction Manager (or, if applicable, the Container Lender Agent) to deliver copies of all reports, notices, statements or other material delivered to it by the Manager or the Submanager.

Section 6.2 Withholding.

(a) If at any time during the Term of this Agreement, the Manager is required by law to make any deduction or withholding on account of any tax, assessment or other governmental charge with respect any amount payable by the Manager to Owner hereunder, the Manager shall thereupon be entitled to make the deduction or withholding, up to the amount required by law, and any amount so deducted or withheld by the Manager and paid by the Manager to the applicable taxing authority pursuant to and in accordance with the deduction or withholding requirement shall be deemed to have been paid by the Manager to Owner in satisfaction of the requirements of this Agreement.

(b) Owner and Manager each agree to execute and deliver all such documents and instruments, and to take all such action, as the other party shall reasonably request to minimize amounts to be deducted or withheld pursuant to the tax deduction or withholding requirement or to obtain an exemption from the deduction or withholding requirement and to effect any necessary compliance therewith.

Section 6.3 Manager Withdrawals or Offsets. So long as no Event of Manager Default hereunder has occurred and so long as the Manager has not been terminated pursuant to the terms of this Agreement, the Manager shall be permitted to *** an amount equal to ***. Any such payments due and payable but not otherwise withheld by the Manager pursuant to this Section 6.3 shall be paid by the Owner as specified in Sections 5.1 and 5.2 respectively.

Section 6.4 Indemnification Proceeds. The Manager shall retain for its own account, and shall not be required to deposit into the Owner Bank Account, Indemnification Proceeds to which the Manager is entitled, to the extent the Manager has not been reimbursed therefor. The Manager shall, within seven (7) days after receipt, deposit into the Owner Bank Account any Indemnification Proceeds to which the Owner or any of its successors and assigns is entitled.

[***] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

Section 6.5 Obligation to Deposit. Except as permitted in this Section 6, and subject to the timely delivery of the Transaction Manager Report by the Transaction Manager, the Manager's obligation under this Section 6 to deposit any amount to the Owner Bank Account shall be absolute and unconditional and all payments thereof shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim or any circumstance, recoupment, defense or other right which the Manager may have against the Owner or any other Person for any reason whatsoever (whether in connection with the transactions contemplated hereby or any other transactions), including without limitation, (i) any defect in title, condition, design or fitness for use, or any damage to or loss or destruction, of any Owner Container, (ii) any insolvency, bankruptcy, moratorium, reorganization or similar Proceeding by or against the Manager or any other Person, or (iii) any other circumstance, occurrence or event whatsoever, whether or not unforeseen or similar to any of the foregoing.

ARTICLE VII.
REPORTS/BOOKS AND RECORDS/INSPECTION/CONFIDENTIAL
INFORMATION/AND ADDITIONAL COVENANTS.

Section 7.1 Manager Report.

(a) The Manager and, so long as it is a Submanager, Interpool Containers Limited shall, no later than thirty (30) days after the end of each calendar month during the Term, deliver the Manager Report for such month to the Transaction Manager. For the avoidance of doubt, any "Manager Report" required by the P&R Management Agreement shall be combined with the Manager Report, and the Manager shall have no responsibility to separate the data related to Owner Containers covered by this Agreement from the Owner Affiliate Containers covered by the P&R Management Agreement.

(b) Until such time as the Transaction Manager or the Owner provides the Manager and any Submanager written notice that it no longer requires delivery of the List of Containers, the Manager and any Submanager shall, no later than ten (10) Business Days after the end of each calendar month during the Term, deliver the List of Containers for such month to the Transaction Manager. For the avoidance of doubt, any "List of Containers" required by the P&R Management Agreement shall be combined with the List of Containers, and the Manager shall have no responsibility to separate the data related to Owner Containers covered by this Agreement from the Owner Affiliate Containers covered by the P&R Management Agreement.

Section 7.2 Financial Report. During the Term, the Manager shall deliver or cause to be delivered to Transaction Manager and, for so long as the Fortis Loan Agreement remains outstanding, the Container Lender Agent as soon as practicable and in any event: (a) within ninety (90) days after the end of each of the first three fiscal quarters of each calendar year of the Manager a copy of unaudited financial statements of the Manager and, so long as Interpool Containers Limited is a Submanager, Interpool, Inc. for such quarter, and (b) within one hundred

eighty (180) days after the end of each fiscal year of the Manager, deliver to the Transaction Manager, a copy of the annual audited financial statements of the Manager prepared on a consistent basis in conformity with GAAP and certified by the Manager's Independent Accountant.

Section 7.3 Insurance Renewal Confirmation. The Manager shall provide annual confirmation of the renewal of insurance required by Sections 10.1 and 10.2 on or before the expiration date of the then existing coverage and shall forward copies of all certificates evidencing renewal to the Transaction Manager after receipt.

Section 7.4 Other Information.

(a) The Manager shall deliver to the Transaction Manager promptly after each shall become available: (i) written notice of any material change in the Manager's credit and collection policy (which determination shall be made in the reasonable discretion of the Manager), and (ii) summaries of all management letter comments relating to the Manager issued by the Independent Accountant of the Manager to the board of directors of the Manager or any committees thereof. Any delivery of such management letter comments shall be without prejudice to the Manager, and the Manager reserves its rights with respect thereto.

(b) Upon the written request of the Transaction Manager, the Manager shall, subject to the confidentiality provisions of Section 7.8, also provide to the Transaction Manager, in the form which the Manager generally uses for its own operations, (i) such other information regarding the Owner Containers as is reasonably available to the Manager, and (ii) any other information regarding the Manager and the functions or processes employed by the Manager relevant to the Owner Containers as may be reasonably requested.

Section 7.5 Notice of Manager Default or Other Events.

The Manager also shall deliver to the Transaction Manager:

(a) Promptly upon the Manager becoming aware of the existence of any condition or event which constitutes a Manager Default or which, with notice or the passage of time or both, would become a Manager Default, a written notice describing the nature and period of existence of such Manager Default and what action the Manager is taking or proposes to take with respect thereto;

(b) Promptly upon the Manager becoming aware of the existence of any condition or event which constitutes a Manager Change of Control or which, with notice or the passage of time or both, would become a Manager Change of Control, a written notice describing the nature and period of existence of such Manager Change of Control;

(c) Promptly upon the Manager becoming aware of:

(i) any threatened or pending investigation of the Manager by any Governmental Authority which individually or in the aggregate could reasonably be expected to have a material adverse effect on a material portion of the Owner Containers or the business or financial conditions of the Manager; or

(ii) any threatened or pending court or administrative Proceeding against the Manager which individually or in the aggregate could reasonably be expected to have a material adverse effect on a material portion of the Owner Containers or the Managed Containers or the business or financial conditions of the Manager;

a written notice specifying the nature of such investigation or Proceeding and what action the Manager is taking or proposes to take with respect thereto and an evaluation of the merits thereof, provided such evaluation can be reasonably made and provided further that the provision of such evaluation will not materially prejudice the Manager in connection with such investigation or Proceeding or constitute a waiver of the attorney-client privilege or attorney work product doctrine; and further subject to the confidentiality provisions of Section 7.8.

Section 7.6 Books and Records; No Liens. Except as contemplated by Section 15, the Manager shall maintain, at its office at One Embarcadero Center, 21st Floor, San Francisco, California 94111 USA, such books and records (including computer records) with respect to the Owner Containers as it maintains for the Managed Containers and the leasing thereof, including a computer database including the Owner Containers, any Leases relating thereto and the Lessees (if on-hire) or location (if off-hire). The Manager shall notify the Owner of any change in the location of the Manager's books and records. Upon not less than five (5) Business Days notice, the Manager shall grant reasonable access to Manager's collateral tracking system ("Collateral Tracking System") to representatives of the Owner to permit them to monitor the Manager's performance hereunder. Such access shall be conducted during normal business hours and shall not unreasonably disrupt the Manager's business. The Owner shall have the right to access the Collateral Tracking System once per calendar year, at the sole expense of the Owner, unless an Event of Manager Default has occurred and is continuing, in which case the Owner shall have an unlimited right to access the Collateral Tracking System during normal business hours and in a manner that shall not unreasonably disrupt the Manager's business at the reasonable expense of the Manager.

Section 7.7 Operational Reviews and Inspections.

(a) Upon reasonable request by the Transaction Manager or its duly authorized representatives, attorneys and accountants may visit the offices of the Manager and its Affiliates for the purpose of inspecting or copying its Leases, books, records, reports and other documents relating to the Owner Containers (such inspection, an "Operational Review"). During each such Operational Review, the Person conducting such inspection shall also be afforded supervised access, as may be deemed reasonable, to the Manager's computer systems and data contained therein pertaining to the Owner Containers. Any such Operational Reviews shall be conducted during normal business hours and shall not unreasonably disrupt the Manager's business. Notwithstanding anything to the contrary contained herein, prior to an Event of Manager Default, the Manager shall only be required to give the Transaction Manager and its duly authorized representatives, attorneys and accountants one (1) such Operational Review per calendar year, which shall coincide with any Operational Review conducted under the PRB

Management Agreement, to be conducted at the sole expense of the Owner. After the occurrence and declaration of an Event of Manager Default which is continuing, the Transaction Manager shall have an unlimited right to reasonable access for such Operational Reviews at the reasonable expense of the Manager, so long as any such Operational Review shall not unreasonably disrupt the Manager's business. The Transaction Manager shall be under no obligation to conduct any such Operational Reviews and any such Operational Review shall not relieve the Manager of or constitute any waiver of any of the obligations of the Manager hereunder.

(b) The Transaction Manager shall have the right, upon reasonable request, to inspect the Owner Containers at any time, upon reasonable notice and to the extent the Manager has access thereto, subject to the Leases, and provided such inspection does not interfere with utilization of the Owner Containers in the ordinary course of business.

Section 7.8 Confidential Information.

(a) By accepting its respective rights under this Agreement, each of the parties (each a "Recipient") is deemed to have agreed to hold in strict confidence and not disclose to any third Person at any time any and all of the information and matters (collectively, "Confidential Information") which is or will be disclosed to Recipient by or on behalf of the Manager, Submanager, Transaction Manager or the Owner pursuant to this Agreement (including but not limited to this Section 7). Each Recipient may disclose the Confidential Information only to its Affiliates, employees, representatives, accountants, legal counsel, lenders (including each Container Lender), agents, and in the case of the Owner, (collectively with the Recipient, the "Recipient Parties") who need to know such information and who are bound by restrictions regarding nondisclosure and use of such information comparable to and no less restrictive than those set forth herein. Each Recipient Party shall take the same degree of care that it uses to protect its own confidential and proprietary information of similar nature and importance (but in no event less than reasonable care) to protect the confidentiality and avoid the unauthorized use, disclosure, publication or dissemination of the Confidential Information. None of the Recipient Parties further shall use any of the Confidential Information for the benefit of itself or any third Person; provided however that notwithstanding the foregoing any Recipient Party on its behalf may disclose the Confidential Information to any Recipient Parties and may itself use the Confidential Information as is necessary to perform its obligations or preserve or enforce its rights under this Agreement or any related agreement.

(b) The foregoing obligations of this Section 7.8, including the restrictions on disclosure and use, shall not apply with respect to any Confidential Information to the extent such Information: (i) is or becomes readily known to the general public through no act or omission of any Recipient Party; (ii) is required by involuntary legal process under order of a court or other Governmental Authority of competent jurisdiction; provided however that prior to any such compelled disclosure, the Recipient Party shall give the Manager reasonable advance notice of any such disclosure and shall cooperate with the Manager in protecting against any such disclosure and obtaining a protective order narrowing the scope of such disclosure and use of the Confidential Information; (iii) is legally required to be disclosed or, based upon the advice of counsel, prudent to be disclosed pursuant to applicable securities or banking or financial laws, rules or regulations to relevant regulatory authorities; or (iv) is approved for disclosure in advance by the Manager in its discretion.

(c) Except as otherwise expressly provided herein, all of the Confidential Information shall be and remain the exclusive property of the Manager, Submanager, Transaction Manager or the Owner, as the case may be; no express or implied interest or license in the Confidential Information is being granted; and all rights and interests therein are reserved.

(d) Except as may be otherwise expressly agreed to in writing, and in addition to the other limitations in this Agreement, no representations or warranties of any kind, whether express or implied or written or oral, are given by the disclosing party with respect to any Confidential Information or any use thereof, all of which are disclaimed; and the Confidential Information is provided on an "AS IS" basis. WITHOUT LIMITING ANY OTHER DISCLAIMERS OR LIMITATIONS HEREIN, THE DISCLOSING PARTY HEREBY EXPRESSLY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES WITH RESPECT THERETO, INCLUDING BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, AND ANY WARRANTIES ARISING OUT OF COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE.

(e) Recipient agrees that, due to the unique nature of the Confidential Information, the unauthorized disclosure or use of such Confidential Information may cause irreparable harm and significant injury to the disclosing party, the extent of which may be difficult to ascertain and for which there may be no adequate remedy at law. Recipient therefore agrees that the disclosing party, in addition to any other available remedies, shall have the right to seek an immediate injunction and other equitable relief enjoining any breach or threatened breach of this Agreement without the necessity of posting any bond or other security.

(f) Notwithstanding anything to the contrary contained herein, each Recipient (and each employee, representative, or other agent of such Person or entity) may disclose to any and all Persons, without limitation, the tax treatment and tax structure of the transaction (as defined in United States Treasury Regulation section 1.6011-4) and all directly related materials of any kind, including opinions or other tax analyses, that are provided to such Person or entity. However, such Person or entity may not disclose any other information relating to this transaction unless such information is directly related to such tax treatment and tax structure. The parties to this Agreement acknowledge that, effective immediately upon commencement of discussions between them with respect to the services to be performed and the other transactions between the parties to be consummated pursuant to this Agreement (the "Transactions"), each of them (and each of their employees, representatives, or other agents) has been and is permitted to disclose to any and all Persons, without limitation of any kind, the federal tax treatment and federal tax structure of the Transactions and all materials of any kind (including opinions or other tax analyses) that are or have been provided to them relating to such federal tax treatment and federal tax structure. This provision is intended to qualify for the presumption that the Transactions are not offered under conditions of confidentiality as set forth in Section 1.6011-4(b)(3)(iii) of the US Treasury Regulations and shall be interpreted to authorize disclosure only to the extent necessary to so qualify. The parties to this Agreement acknowledge that this

written authorization does not constitute a waiver by any party of any privilege held by such party pursuant to the attorney-client privilege or the confidentiality privilege of the US Internal Revenue Code Section 7525(a), to the extent applicable; and does not constitute an admission that any of the parties or any of the Transactions are subject to US tax laws or reporting obligations.

(g) The obligations of this Section 7.8 with respect to any item of Confidential Information shall survive any termination or expiration of this Agreement.

ARTICLE VIII.
WARRANTIES; DISCLAIMERS; LIMITATIONS.

Without limiting any other limitations or disclaimers set forth in this Agreement:

Section 8.1 REPRESENTATION DISCLAIMER. THE MANAGER REPRESENTS AND WARRANTS THAT IT WILL CARRY OUT ITS SERVICES HEREUNDER WITH REASONABLE CARE AND SKILL, BUT IN NO EVENT LESS THAN THE STANDARD OF CARE SET FORTH IN SECTION 3.4. THIS EXPRESS REPRESENTATION AND WARRANTY IS IN LIEU OF ALL OTHER REPRESENTATIONS OR WARRANTIES; AND THE MANAGER HEREBY DISCLAIMS ANY AND ALL OTHER EXPRESS REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE CONDITION, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR NON-INFRINGEMENT OF THE OWNER CONTAINERS, THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, WHETHER EXPRESS OR IMPLIED OR WRITTEN OR ORAL OR ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE, INCLUDING ANY GUARANTEE REGARDING ANY FINANCIAL PERFORMANCE OF THE OWNER CONTAINERS OR THE LESSEES.

Section 8.2 LIMITATION ON DAMAGES. IN NO EVENT AND UNDER NO CIRCUMSTANCES SHALL ANY PARTY HERETO BE LIABLE TO ANY OTHER PARTY HERETO OR ANY OTHER PERSON UNDER ANY LEGAL OR EQUITABLE THEORY FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES OF ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, HOWEVER CAUSED, INCLUDING BUT NOT LIMITED TO ANY DAMAGES FOR LOSS OF PROFITS, REVENUE OR BUSINESS (COLLECTIVELY "CONSEQUENTIAL DAMAGES") UNDER ANY THEORY OF LIABILITY (WHETHER IN CONTRACT, TORT, STATUTE OR OTHERWISE), EVEN IF SUCH PARTY HAS BEEN ADVISED OF OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING ANY CONTRARY PROVISION OF THIS AGREEMENT OR ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY OR LIMITATION OF LIABILITY OF ANY KIND.

ARTICLE IX.
CONTAINER AND FLEET SALES; PURCHASE OPTION.

Section 9.1 Limitation on Sales. During the Term, the Manager may not sell or dispose of any Owner Container except as a result of (i) a Casualty Loss, (ii) a Container Disposal, (iii) a Container Sale, or (iv) any sale to the Manager or Submanager in accordance with the terms of this Agreement.

Section 9.2 Container Sale Instructions. If so instructed by the Owner, the Manager shall, in good faith, execute one or more Container Sales. Should any of the Owner Containers be subject to a Lease at the time the Owner authorizes a Container Sale that includes such Containers, the Manager shall continue to manage each such Container under this Agreement until (i) each such Container is off-hired by its Lessee, at which time the Manager shall act upon the Owner's instructions to sell such Containers, or (ii) such Containers become Terminated Owner Containers. Any Container Sale by or at the discretion of the Owner shall be subject to the Manager's and the Lessees' rights with respect thereto set forth elsewhere in this Agreement or in the applicable Lease, on the terms provided herein and therein.

Section 9.3 Fleet Sale. At any time during the Term, the Owner shall have the right to sell, in one or in a series of transactions, all of the Owner Containers to another party (including any sale to an Owner Affiliate) (any such sale a "Fleet Sale"). Notwithstanding the foregoing, the Manager shall retain the right to manage the Owner Containers under the terms of this Agreement after a Fleet Sale provided that no Event of Manager Default shall have occurred and be continuing. Prior to any Fleet Sale, the Owner shall obtain the purchaser's written consent, in the form of an assignment agreement that is reasonably acceptable to the Manager, under which the purchaser is bound by the terms of this Agreement. The Manager may reasonably withhold consent to a Fleet Sale and assignment of this Agreement if the Manager's objection to such assignment is based upon a credit rating/report for the proposed purchaser that a reasonable business person would find to be unsatisfactory with respect to any ongoing obligations of the Owner under this Agreement. Any refusal of consent to the assignment of this Agreement by the Manager shall be made in writing to the Owner and shall specify the reasons for such refusal. A Sales Fee will not be earned by or paid to the Manager in the event of a Fleet Sale.

Section 9.4 Right of First Offer. If upon the expiration of a Term Lease the Lessee requests to extend the lease term such that the extension is a Finance Lease and Owner consents to such request, the applicable Manager or Submanager (or any Affiliate thereof) shall have the option (the "Manager Purchase Option") to purchase such Finance Lease and the Containers subject thereto ("Manager Purchased Containers") from Owner at a purchase price equal to the *** to be determined two (2) Business Days before the date of such proposed sale (the "Fixed Purchase Price"). In connection with the exercise of any Purchase Option by the applicable Manager or Submanager (or any Affiliate thereof) in accordance with the provisions of this Section 9.4 and upon payment of the Fixed Purchase Price, the Owner shall assign and transfer all of its right, title and interest in and to such Finance Lease and the Purchased Containers on an "as-is" "where-is" basis and containing a warranty against Liens created by the Owner. In connection therewith, the Owner will make, execute or endorse, acknowledge and file or deliver to the applicable Manager or Submanager (or any

[*] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.**

Affiliate thereof) from time to time such statements of charge, UCC financing statements or documents of similar import (including any termination or continuation statements), schedules, confirmatory assignments, conveyances, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments and take such further steps relating to such Manager Purchased Containers as the applicable Manager or Submanager (or any Affiliate thereof) may request and reasonably require in order to reflect the ownership of the applicable Manager or Submanager (or any Affiliate thereof) in such Manager Purchased Containers.

Section 9.5 Notice of Owner Affiliate Container Sales. The Owner or the Transaction Manager shall notify the Manager and the Submanager in writing of the occurrence of any Owner Affiliate Container Sale within five (5) Business Days of any such sale, which notice shall identify those Containers subject to the Owner Affiliate Container Sale.

**ARTICLE X.
INSURANCE.**

Section 10.1 Primary Insurance Coverage. Unless waived by the Manager in accordance with the standard set forth in Section 3.4 hereof, the Manager shall require that all Lessees and Container depots insure the Owner Containers against all normally insurable risks (including, but not limited to, liability and loss and damage) while the Owner Containers are under the control of such Person, such insurance coverage to be normal and customary in the Lessees' and Container depots' industries respectively, including reasonable deductibles and self-insurance.

Section 10.2 Contingent Insurance Coverage. The Manager, to the extent commercially reasonable and obtained and maintained by the Manager for the Managed Containers as a whole, shall obtain from financially sound and reputable insurers (to the Knowledge of the Manager) and maintain in force contingency insurance (the "Contingency Insurance") with respect to the Owner Containers upon such terms, in such amounts, against such risks and with such deductibles as is maintained by the Manager for the Managed Containers as a whole. Such insurance may insure against all or any portion of the risks described in Section 10.1, which may provide coverage when: (i) recoveries are not effected (x) under any policies in force pursuant to Section 10.1 or (y) because the Lessee or container depot has failed to obtain insurance pursuant to Section 10.1 or (ii) any Owner Container is not returned to the Manager by a defaulting Lessee (including costs of recovering such Owner Containers). Such insurance may be effected by a policy that covers the Managed Containers as a whole, and shall include, with respect to the Owner Containers, an additional insured endorsement in favor of the Owner and a loss payee endorsement (to the extent available from the insurer) in favor of the Owner.

Section 10.3 Appointment of Manager as Agent. Subject to Section 13, the Owner hereby irrevocably appoints the Manager as the agent of the Owner for the purpose of receiving all monies payable under such policy or policies of insurance as described in Sections 10.1 and 10.2, whether effected by the Manager, depots or Lessees, and the Manager may give a good discharge therefor to the insurance company for all such monies.

Section 10.4 No Liability. The Manager shall have no liability for any loss, damage, recovery cost or other cost or expense whatsoever with respect to a lost or destroyed Owner Container, whether or not covered by insurance.

**ARTICLE XI.
CAPITAL IMPROVEMENTS.**

Section 11.1 Notice. Owner acknowledges that the cost of any Capital Improvement made to any Owner Container (which is not recovered from any related Lessee) is the sole responsibility of Owner. If it is necessary, in Manager's reasonable opinion, to make Capital Improvements to any Owner Containers in order for such Containers to conform to prevailing regulatory and commercially acceptable standards generally accepted within the container leasing and intermodal shipping industries, Manager shall send a notice to Owner outlining the capital improvement(s) proposed, the reasons for such Capital Improvements and the estimated cost of carrying them out.

Section 11.2 Owner's Decision Period. Within fourteen (14) days of receiving such notice, Owner will notify Manager in writing either: (i) that Owner agrees to pay all of the cost of such Capital Improvements for all of the Containers included in Manager's notice (other than those which are recovered from any related Lessee); or (ii) that Owner declines to pay such costs. A failure to provide notice within the foregoing period shall be deemed to constitute notice that Owner agrees to pay such costs.

Section 11.3 Payment. If Owner agrees to pay all of the cost of such Capital Improvements (which is not recovered from any related Lessee), Manager may proceed with such Capital Improvements and Owner shall reimburse Manager directly in advance for the approved Capital Improvements.

Section 11.4 Preferential Treatment. If Owner declines to pay for some or all of the cost of such Capital Improvements (which is not recovered from any related Lessee), Manager will not proceed with such Capital Improvements and will continue to manage such Containers in accordance with the terms of this Agreement. However, Manager may provide preference to Managed Containers where such Capital Improvements have been made over Owner Containers without such improvements and the performance of any Owner Containers that have not undergone recommended Capital Improvements shall not be considered for purposes of determining Manager's performance under this Agreement.

**ARTICLE XII.
TERM; RESIGNATION BY MANAGER.**

Section 12.1 Term.

(a) The term of this Agreement ("Term") shall come into force on the Funding Date and, subject to the provisions of Section 13, shall continue in force with respect to an Owner Container for ten (10) years, plus, at the option of Owner, two additional extensions of

one (1) year, which must be exercised in writing no later than one hundred and eighty (180) days prior to termination. Notwithstanding the foregoing, Manager may terminate this Agreement if the total number of Owner Containers under management is less than 1000.

(b) Notwithstanding anything contained in Section 12.1(a), Owner may terminate this Agreement if, as of the end of any calendar month, the ***, calculated ***, is less than ***. In the event that the Owner exercises any termination right under this Section 12.1(b) and appoints a Replacement Manager pursuant to Section 13.4, the Owner shall have the obligation to reimburse *** for any and all costs and expenses resulting from such termination, including, without limitation, the costs and expenses related to making available all books and records (including data contained in the Manager's computer systems) pertaining to the Owner Containers to the Replacement Manager and providing access to, and cooperating in the transfer of, information pertaining to the Owner Containers from the Manager's computer system to the computer system of the Replacement Manager.

(c) Notwithstanding anything contained in Section 12.1(a), the Owner may terminate, subject to the provisions of this Section 12.1(c), this Agreement if a Manager Change of Control occurs which is not consented to by Owner (such consent not to be unreasonably withheld). Should the Owner withhold its consent to any Manager Change of Control, the Owner shall provide the Manager prompt written notice thereof which notice shall set forth, in reasonable particularity, the reasons for its refusal to grant consent and, if the reasons set forth are capable of cure, the Owner and the Manager shall have a period of up to sixty (60) days to negotiate a mutually acceptable resolution to the concerns raised by the Owner. If a mutually acceptable resolution has not been reached by the conclusion of said sixty (60) day period, the Owner may terminate this Agreement on account of such Manager Change of Control.

(d) For the avoidance of doubt, to the extent the Owner exercises any termination right pursuant to Section 12.1(b) or 12.1(c), the Owner acknowledges and agrees that the Manager and, if applicable, the Submanager, shall be entitled to continue, per the terms of this Agreement, to net all Operating Expenses incurred in its management of the Owner Containers until such time as the Manager, and, if applicable, the Submanager, no longer manages any Owner Containers under this Agreement.

Section 12.2 Resignation. The Manager may not resign from its obligations and duties as the Manager hereunder, except (i) with the prior written consent of the Owner or (ii) upon a determination by the Manager that the performance by the Manager of its duties under this Agreement is no longer permissible under applicable law, which determination shall be evidenced by an opinion of counsel, in form and substance reasonably satisfactory to the Owner. No such resignation shall, to the extent consistent with applicable law, become effective until a Replacement Manager Effective Date.

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ARTICLE XIII.
DEFAULT.

Section 13.1 Manager Default. Any of the following events or conditions shall constitute a default of the Manager hereunder (“Manager Default”):

(a) The Manager shall fail to (i) make any deposit to the Owner Bank Account when due hereunder and such default continues for five (5) days after the date Manager receives notice thereof (provided, however, that no Manager Default shall result from any failure of Manager to deposit Distributable Net Owner Proceeds into the Owner Bank Account when the Manager exercises its option set forth in Section 6.1(a) to pay amounts actually collected or to reimburse itself for amounts remitted which were subsequently not collected or resulting from the failure of the Transaction Manager to deliver a Transaction Manager Report on or prior to the due date thereof), or (ii) deliver a Manager Report on the due date thereof, and such failure continues for ten (10) days after the date Manager receives notice thereof;

(b) The Manager shall fail to (i) deliver any report, other than a Manager Report, required to be delivered to the Transaction Manager pursuant to Section 7 on the due date thereof and such default continues for ten (10) Business Days after the date Manager receives notice thereof or (ii) perform or observe, or cause to be performed or observed, in any material respect any other covenant or agreement contained herein that is not specifically addressed in this Section 12.1, and such failure shall continue unremedied for a period of thirty (30) days after the date the Manager receives notice thereof;

(c) Any representation or warranty made by the Manager in this Agreement, or in any certificate, report or financial statement delivered by it pursuant hereto proves to have been untrue in any material and adverse respect when made and continues unremedied for a period of thirty (30) days after the date the Manager receives notice thereof;

(d) The Manager shall cease to be engaged in the Container management business (subject to the provisions of Force Majeure set forth in Section 17);

(e) The Manager shall be adjudicated or found bankrupt or insolvent by any competent court in an involuntary bankruptcy or insolvency Proceeding or an order shall be made by a competent court or a resolution shall be passed for the winding-up or dissolution of the Manager or a petition shall be presented to, or an order shall be made by, a competent court for the appointment of an administrator of the Manager, and such adjudication, finding, order or petition shall not have been stayed, vacated or dismissed within thirty (30) days after the making of such adjudication, finding, or order, or the presentation of such petition;

(f) The Manager shall suspend payment of its debts generally or shall be unable to, or shall admit inability to, pay its debts as they fall due, or shall commence a bankruptcy or insolvency Proceeding or shall take any company action in furtherance of any such action; or

(g) Except as permitted by Sections 15 and 23.5, the Manager or, so long as it is a Submanager, Interpool Containers Limited shall assign all or substantially all of its interest under this Agreement; provided that: (i) the Manager and/or any Submanager may assign its rights (but not its obligations) under this Agreement to a lender as security for a commercial loan; (ii) a

Manager Default (with respect to Manager) shall not occur if Submanager makes an assignment otherwise prohibited by this Section 13.1(g); and (iii) a Manager Default (with respect to Submanager) shall not occur if Manager makes an assignment otherwise prohibited by this Section 13.1(g).

Section 13.2 Owner Default. Any of the following events or conditions shall constitute a default of the Owner hereunder (“Owner Default”):

(a) The Owner shall default in the payment of any sums owed to Manager hereunder, and such failure continues for ten (10) days after the date Owner receives notice thereof;

(b) The Owner shall fail to (i) perform or observe, or cause to be performed or observed, in any material respect any other covenant or agreement contained herein, and such failure shall continue unremedied for a period of thirty (30) days after the date the Manager receives notice thereof; or

(c) Any representation or warranty made by the Owner in this Agreement, or in any certificate, report or financial statement delivered by it pursuant hereto proves to have been untrue in any material and adverse respect when made and continues unremedied for a period of thirty (30) days after the date the Owner receives notice thereof.

Section 13.3 Remedies.

(a) (i) If a Manager Default shall have occurred and be continuing, the Owner has the right and power to declare an event of Manager Default (“Event of Manager Default”), and, terminate all, or a portion of, the rights and obligations of the Manager under this Agreement and appoint a Replacement Manager to manage the Owner Containers hereunder or under the Replacement Manager Agreement, as applicable. The foregoing rights shall be in addition to any other rights or remedies the Owner may have under applicable law. Notwithstanding any other provision herein to the contrary, (A) this Agreement shall continue in full force and effect with respect to an Owner Container until the earlier to occur of (1) the date upon which a Replacement Manager has agreed to assume responsibility for the management of such Owner Container, or (2) such time as such Owner Container ceases to be the subject of a Lease and/or becomes a Terminated Owner Container (the “Termination Date”), and the Manager shall continue to manage such Owner Container pursuant to the terms and conditions of this Agreement until the Termination Date for such Owner Container, and (B) the Owner shall have no right to recover possession or control of any Owner Container prior to the termination of this Agreement under this Section 13.3.

(ii) Notwithstanding anything to the contrary contained in this Article XIII or this Agreement, no Manager Default attributable to the action of CAI shall result in the termination or replacement of Interpool Containers Limited as Submanager under this Agreement, and no Manager Default attributable to the action of Interpool Containers Limited shall result in the termination or replacement of CAI as Manager under this Agreement.

(b) If an Owner Default shall have occurred and be continuing, the Manager has the right and power to declare an event of Owner Default (“Event of Owner Default”), terminate this Agreement and/offset Manager’s damages resulting from such default against distributions that

Manager would otherwise be required to make to Owner. The foregoing rights shall be in addition to any other rights or remedies the Manager may have under applicable law. Prior to terminating this Agreement as the consequence of the occurrence of an Event of Owner Default, the Manager shall provide at least twenty (20) days prior written notice of termination to and the Container Lender Agent, on behalf of each Container Lender. Each Container Lender shall have twenty (20) days after receipt of such notice to cure any such Event of Owner Default.

Section 13.4 Transfer to Replacement Manager. In the event of the appointment of a Replacement Manager pursuant to the terms of this Agreement, the Manager shall cooperate at its expense with the Owner or its assignee in transferring to such Replacement Manager the management of the Owner Containers, including, but not limited to, making available all books and records (including data contained in the Manager's computer systems) pertaining to the Owner Containers, providing access to, and cooperating in the transfer of, information pertaining to the Owner Containers from the Manager's computer system to the computer system of the Replacement Manager, and taking any other action as may be reasonably requested by the Owner or its assignee to ensure the orderly assumption of management of the Owner Containers by such Replacement Manager. Notwithstanding anything contained in this Section 13.4 to the contrary, neither the Manager nor any Submanager shall have any obligation to make available to any such Replacement Manager the original chattel paper copy of any Lease that is a Split Lease.

Section 13.5 Attorney-In-Fact. After the occurrence and during the continuance of a Manager Default, the Manager irrevocably, and by way of security to the Owner for the obligations of the Manager herein, appoints the Owner to be its attorney-in-fact, with full power of substitution on behalf of the Manager and in its name or otherwise to execute any documents, and to give any notice and to do any act or thing which the Manager is obliged to execute or do under this Agreement. The Manager hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do or propose to do in the exercise or purported exercise of all or any of the powers, authorities and discretion referred to in this Section 13.5.

Section 13.6 Rights of Lessees. In no event shall the Manager be required to act in any manner inconsistent with the rights of Lessees under any Leases related to the Owner Containers or the Managed Containers.

Section 13.7 Without Prejudice. Termination of this Agreement shall be without prejudice to the rights and obligations and remedies of the parties which have accrued prior to or as of such termination; provided however that any amount then due to the Manager shall be reduced by the reasonable and necessary out-of-pocket costs incurred by the Owner (excluding management fees and any other costs incurred within the ordinary scope of management and operation of the Owner Containers) in connection with the removal and replacement of the Manager as manager of the Owner Containers if the replacement of the Manager (or Interpool Containers Limited, as Submanager) is due to an Event of Manager Default; provided that such expenses shall not exceed the aggregate amount of Management Fees paid to Manager in the preceding twelve (12) months.

Section 13.8 Waiver or Forbearance of Default. The Owner may in its sole discretion but shall not be obligated to waive any Manager Default and the remedies available as a

consequence thereof; and the Owner further may in its sole discretion but shall not be obligated to unilaterally extend any time for the performance or cure by the Manager hereunder or to waive or forebear from the declaration of any Event of Manager Default or the exercise of any one or more of the remedies available as a consequence thereof. Upon any such waiver of a past default, or any permitted cure of such default, such default shall cease to exist and shall be deemed to have been remedied for every purpose of this Agreement; and each of the parties shall be restored to their respective positions prior to the existence of such default. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon except to the extent expressly so waived.

Section 13.9 Cooperation.

(a) The Manager agrees to cooperate at its expense, on a timely and reasonable basis, with the Owner in finding a suitable Replacement Manager and in negotiating and executing an appropriate agreement with such party.

(b) Following a Replacement Manager Effective Date, the Manager agrees to cooperate in a reasonable manner with the Replacement Manager in effecting the termination and transfer of the responsibilities and rights of the Manager related to the Owner Containers hereunder, and the transfer of the management thereof to the Replacement Manager, including without limitation the preparation, execution and delivery of any and all documents and other instruments, the execution and delivery of assignments of financing statements, and the transfer to the Replacement Manager for administration by it of all cash amounts related to the Owner Containers which shall at the time be held by the Manager or thereafter received with respect to the Owner Containers. Subject to the provisions of Sections 7.8 (Confidential Information) and 13.4 (Transfer to Replacement Manager), the Manager hereby agrees to transfer to the Replacement Manager copies of its electronic records and all other records, correspondence and documents relating to the Owner Containers in the manner and at such times as the Replacement Manager shall reasonably request and do any and all other acts or things reasonably necessary or appropriate to effect such termination and transfer.

**ARTICLE XIV.
NON-EXCLUSIVITY OF MANAGER SERVICES.**

During the Term, the Manager may provide services (whether similar or dissimilar) directly or indirectly to any other Person or on behalf of any other Person, or own, manage and transact in Containers or other property for its own account.

**ARTICLE XV.
SUB-CONTRACTORS AND AGENTS.**

Section 15.1 Submanagers. The Owner hereby consents to and agrees that, in performing its duties hereunder, the Manager may further contract with its Affiliates to provide any or all services to be provided by the Manager, provided that: (i) the Manager shall remain

primarily liable for all services that its Affiliates have contracted to perform, (ii) any such contract or other arrangements between the Manager and its Affiliate shall terminate with respect to the Owner Containers upon the termination of the Manager hereunder, (iii) any such contract shall be made in accordance with customary industry practice (as evidenced, in part, by the past practice of the Manager), and (iv) the utilization of any Affiliate by the Manager shall not create any incremental cost to the Owner. The Owner further consents to and agrees that the Manager shall be entitled to appoint subcontractors or agents who are not its Affiliates to carry out any portion of its duties hereunder; provided, however, that the Manager shall remain primarily liable for all such services. Notwithstanding anything to the contrary contained in Section 7.6, each Submanager shall maintain at its office, as set forth in any submanagement agreement, such books and records relating to the Owner Containers as such Submanager maintains, and such submanager shall notify the Manager and the Owner of any change in the location of such Submanager's books and records.

Section 15.2 Appointment of Interpool Containers Limited as Submanager. Notwithstanding anything to the contrary set forth in Section 15.1 hereof, the Manager hereby irrevocably (unless an Manager Default shall have occurred and be continuing as a result of Submanager's act or omission) appoints Interpool Containers Limited, a company organized under the laws of Barbados, as a submanager with respect to the Manager's duties relating to all Interpool Leases and Interpool Containers (in its capacity as submanager, together with its successors and permitted assigns, a Submanager), and the Owner hereby consents to such appointment. By execution of this Agreement, Interpool Containers Limited accepts such appointment as Submanager and agrees to perform all duties and obligations of the Manager under this Agreement in connection with the Owner Containers that are Interpool Containers including, without limitation, the obligations under Sections 3.3, 3.4 and 7 (except as such obligations may be expressly modified by this Section 15.2). Interpool Containers Limited, in its capacity as Submanager, shall act as a Submanager for a period of not greater than ten (10) years, provided, that, during such time, Interpool Containers Limited shall have the right upon not less than ten (10) Business Days prior written notice to Manager and Owner, at any time, in its sole discretion, to resign its term as Submanager hereunder with respect to part or all of the Interpool Containers, at which time the Manager shall perform all duties and obligations with respect to any such Interpool Containers. Prior to the time of such resignation, Interpool Containers Limited shall provide the Manager, as applicable, with all books and records, including, without limitation, billing and collection records and the Interpool Leases, as may be necessary for Manager to perform its obligations as Manager hereunder with respect to such Interpool Containers. For so long as Interpool Containers Limited elects to act as a Submanager for the Owner Containers that are Interpool Containers, notwithstanding anything to the contrary contained herein, the Owner and the Manager agree (i) that Interpool Containers Limited shall be obligated and directly liable for the management and the administration of the Owner Containers that are Interpool Containers in accordance with the provisions of this Agreement, (ii) that the Manager shall have no obligations with respect to such Owner Containers managed by Interpool Containers Limited and, without limiting the foregoing, (aa) Manager shall not be responsible for any act or omission of Interpool Containers Limited in its capacity as Submanager, and (bb) Manager's rights under this Agreement may not be terminated on account of a Manager Default that is caused by Interpool Containers Limited, in its capacity as Submanager, and (iii) that Interpool Containers Limited shall be entitled to receive all rights and privileges, with respect to its management of the Interpool Containers, as if it were the Manager hereunder and shall be

entitled to all amounts owing to the Manager with respect to the Interpool Containers, including, without limitation, the full amount of the Interpool Management Fee, without deduction or set-off, in accordance with the terms of this Agreement. Furthermore, for so long as Interpool Containers Limited elects to act as a Submanager for the Owner Containers that are Interpool Containers, notwithstanding anything to the contrary contained herein, Interpool Containers Limited specifically acknowledges and agrees that it shall be subject to all provisions of this Agreement (as applicable) including Articles XII and XIII and that the Owner shall have all remedies set forth in Section 13.3 against Interpool Containers Limited, in its capacity as a Submanager, if any act or omission by Interpool Containers Limited would violate any of the provisions set forth in Section 13.1. The Owner expressly agrees that no Event of Manager Default attributable to the action of CAI shall result in the termination or replacement of Interpool Containers Limited as Submanager under this Agreement, and no Event of Manager Default attributable to the action of Interpool Containers Limited shall result in the termination or replacement of CAI as Manager under this Agreement. Moreover in exercising its rights under Section 12.1(c), (i) in the event of a Manager Change of Control that is the result of a Change of Control pertaining to Submanager, Owner may terminate only Submanager's rights as Submanager, and (ii) in the event of a Change of Control pertaining to Manager, Owner may terminate only Manager's rights as Manager. Notwithstanding anything to the contrary contained in Section 7.6, Interpool Containers Limited, in its capacity as a Submanager, shall maintain at its office, at 211 College Road East, Princeton, New Jersey 08540, such books and records relating to the Owner Containers as the Submanager maintains in accordance with the standard set forth in this Agreement, and Interpool Containers Limited shall notify the Manager and the Owner of any change in the location of such books and records.

ARTICLE XVI.
LIENS.

The Manager agrees not to create, incur, assume or grant, or suffer to exist, directly or indirectly, any Lien of any kind on or concerning the Owner Containers other than Permitted Liens. The Manager shall promptly take or cause to be taken such action as may be necessary to discharge any such Lien that is not a Permitted Lien.

ARTICLE XVII.
NO PARTNERSHIP.

Nothing in the Agreement or any performance hereunder shall be deemed to constitute a partnership or joint venture between the parties hereto.

ARTICLE XVIII.
FORCE MAJEURE.

Neither party shall (i) be deemed to be in breach of its obligations hereunder for a period of sixty (60) days following the occurrence of an event of Force Majeure, or (ii) be liable to the

other for any loss or damage that may be suffered as a direct or indirect result of the performance of any of their respective obligations being prevented, hindered or delayed by reason of and during the period of any event of Force Majeure. “Force Majeure” shall mean any act of God, war, riot, civil commotion, act of terrorism, strike, lock-out, trade dispute or labor disturbance, accident, breakdown of plant or machinery, explosion, fire, flood, earthquake, difficulty in obtaining workmen, materials or transport, government action, epidemic, difficulty or impossibility in obtaining access to any Owner Containers, or other circumstances whatsoever outside the reasonable control of such party affecting the performance of such party’s duties hereunder. For the avoidance of doubt, nothing in this Section 18 shall be deemed to affect the obligations of any Lessee arising under the provisions in the applicable Lease relating to a Casualty Loss of Owner Containers.

ARTICLE XIX.
CURRENCY/BUSINESS DAY.

Section 19.1 United States Dollars. All sums payable to the Manager under this Agreement shall be paid in US Dollars.

Section 19.2 Payment on Business Day. Notwithstanding anything to the contrary contained herein, if any date on which a payment becomes due hereunder is not a Business Day, then such payment may be made on the next succeeding Business Day with the same force and effect as if made on such scheduled date.

ARTICLE XX.
INDEMNIFICATION.

Section 20.1 Owner Obligations. The Owner agrees to and hereby does fully indemnify, hold and defend each and all of the Manager (and any Submanager) and its Affiliates, and their respective shareholders, officers, directors, agents, employees, representatives, successors and permitted assignees (collectively, “Manager Indemnified Parties”) harmless from and against any and all claims, actions, suits, damages, judgments, expenses, losses or liabilities, including, without limitation, reasonable attorneys’ fees and other out-of-pocket expenses incurred in defending against the same (“Claims or Losses”) which may be incurred or suffered by or asserted against any Manager Indemnified Party and which arise from or relate to the Owner Containers or any services rendered or to be rendered by the Manager to the Owner pursuant to the terms of this Agreement, including, but not limited to, for any miscalculation or incorrect information in the Transaction Manager Report or for the Transaction Manager’s failure to comply with any of its obligations hereunder, including, without limitation, any failure of the Transaction Manager to deliver copies of all reports, notices, statements or other material delivered to it by the Manager or the Submanager, provided, however, that the foregoing indemnity shall not apply to any Claims or Losses to the extent caused by, or arising from, (i) the negligence or willful misconduct of any Manager Indemnified Party, or (ii) a breach by a Manager Indemnified Party of its contractual obligations hereunder or under any Lease, or (iii) any misrepresentation made by any Manager Indemnified Party herein; or to any Consequential Damages incurred by any Manager Indemnified Party.

Section 20.2 Manager Obligations. The Manager, agrees to and does hereby fully indemnify and hold harmless each and all of the Owner and its Affiliates, and their respective shareholders, owners, officers, directors, employees, agents, representatives, successors and permitted assignees (collectively "Owner Indemnified Parties") against any and all Claims and Losses which may be incurred or suffered by or asserted against any Owner Indemnified Party arising out of or related to (i) a material breach by the Manager of its covenants and obligations hereunder or (ii) a material breach by the Manager of its representations and warranties set forth in this Agreement; however that the foregoing indemnity shall not apply to any Claims or Losses to the extent caused by, or arising from, (i) the negligence or willful misconduct of any Owner Indemnified Party, or (ii) a breach by any Owner Indemnified Party of its contractual obligations hereunder, or (iii) any misrepresentation made by any Owner Indemnified Party herein; or to any Consequential Damages incurred by any Owner Indemnified Party. Each of the Owner and the Manager hereby agree that (i) nothing contained in this Agreement (including but not limited to this Section 20.2) shall be interpreted as an explicit or implied guarantee by the Manager of the obligations due under any financing related to the Owner Containers or of the performance of the Owner Containers, and any and all such guarantees are expressly disclaimed in all respects, and (ii) losses may occur for various reasons including, but not limited to, the financial inability or refusal of the Lessees to make rental payments under the Leases.

Section 20.3 Submanager Obligations. The Submanager, agrees to and does hereby fully indemnify and hold harmless each and all of the Owner and its Affiliates, and their respective shareholders, owners, officers, directors, employees, agents, representatives, successors and permitted assignees (collectively "Owner Indemnified Parties") against any and all Claims and Losses which may be incurred or suffered by or asserted against any Owner Indemnified Party arising out of or related to (i) a material breach by the Submanager of its covenants and obligations hereunder or (ii) a material breach by the Submanager of its representations and warranties set forth in this Agreement; however that the foregoing indemnity shall not apply to any Claims or Losses to the extent caused by, or arising from, (i) the negligence or willful misconduct of any Owner Indemnified Party, or (ii) a breach by any Owner Indemnified Party of its contractual obligations hereunder, or (iii) any misrepresentation made by any Owner Indemnified Party herein; or to any Consequential Damages incurred by any Owner Indemnified Party. Each of the Owner and the Submanager hereby agree that (i) nothing contained in this Agreement (including, but not limited to, this Section 20.3) shall be interpreted as an explicit or implied guarantee by the Submanager of the obligations due under any financing related to the Owner Containers or of the performance of the Owner Containers, and any and all such guarantees are expressly disclaimed in all respects, and (ii) losses may occur for various reasons including, but not limited to, the financial inability or refusal of the Lessees to make rental payments under the Leases.

Section 20.4 Survival. The respective obligations of the parties under this Section 20 shall survive the termination of this Agreement.

ARTICLE XXI.
REPRESENTATIONS AND WARRANTIES.

Section 21.1 Representations and Warranties of Manager and Interpool Containers Limited. As of the Closing Date, each of the Manager and Interpool Containers Limited represents and warrants to the Owner, as to itself, that:

- (a) It is a company duly incorporated and in good standing under the laws of the jurisdiction of its incorporation;
- (b) It has the requisite power and authority to enter into and perform its obligations under this Agreement, and all requisite corporate authorizations have been given for it to enter into this Agreement and to perform all the matters contemplated hereby. Upon due execution and delivery hereof this Agreement will constitute its legal, valid and binding obligation, enforceable against it in accordance with this Agreement's terms, except as may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws and equitable principles related to or limiting creditors' rights generally and by general principles of equity;
- (c) It has not breached its articles of association or bye-laws or any other agreement to which it is a party or by which it is bound in the course of conduct of its business and corporate affairs or any applicable laws and regulations of its jurisdiction of incorporation in such manner as would in any such case have a materially adverse effect on its ability to perform its obligations under this Agreement;
- (d) The consummation of this Agreement will not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, its memorandum of association or bye-laws, or any material term of any agreement or other instrument to which it is a party or by which it is bound, or result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such agreement or other instrument, or violate any order, rule, or regulation applicable to it of any court or of any federal or state regulatory body, administrative agency, or other Governmental Authority having jurisdiction over it or any of its properties;
- (e) To its actual Knowledge, there are (i) no Proceedings or investigations pending or threatened before any court, regulatory body, administrative agency, or other tribunal or Governmental Authority (A) asserting the invalidity of this Agreement, (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, or (C) seeking any determination or ruling that might materially and adversely affect the performance by it of its obligations under, or the validity or enforceability of, this Agreement, and (ii) no injunctions, writs, restraining orders or other orders are in effect against it that would adversely affect its ability to perform under this Agreement; and
- (f) It (i) has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as now conducted (except where the failure to have such licenses and permits could not individually or in the aggregate have a material adverse effect on the business or condition (financial or otherwise) of it or its ability to enter into and conduct such business as currently conducted) and (ii) had at all relevant times,

and now has, power, authority, and legal right to manage the Owner Containers and to perform its obligations under this Agreement and the transactions contemplated hereby, including performance of the duties and obligations of the Manager and Submanager, as the case may be, hereunder.

Section 21.2 Representations and Warranties of Owner. As of the Closing Date, the Owner represents and warrants to the Manager that:

- (a) The Owner is a company duly organized, validly existing and in compliance under the laws of Bermuda;
- (b) The Owner has the requisite power and authority to enter into and perform its obligations under this Agreement, and all requisite corporate or entity authorizations have been given for it to enter into this Agreement and to perform all the matters envisaged hereby. Upon due execution and delivery hereof this Agreement will constitute the legal, valid and binding obligation of the Owner, enforceable against the Owner in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws and equitable principles related to or limiting creditors' rights generally and by general principles of equity;
- (c) The Owner has not breached its memorandum of association or bye-laws or any other agreement to which it is a party or by which it is bound in the course of conduct of its business and corporate affairs or any applicable laws and regulations of its jurisdiction of incorporation or organization in such manner as would in any such case have a materially adverse effect on its ability to perform its obligations under this Agreement;
- (d) The consummation of the transactions contemplated by and the fulfillment of the terms of this Agreement will not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the memorandum of association or bye-laws of the Owner, or any material term of any agreement, mortgage, deed of trust, or other instrument to which the Owner is a party or by which it is bound, or result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such agreement, mortgage, deed of trust, or other instrument, or violate any law or any order, rule, or regulation applicable to the Owner of any court or of any federal or state regulatory body, administrative agency, or other Governmental Authority having jurisdiction over the Owner or any of its properties;
- (e) To the actual Knowledge of the Owner, there are (i) no Proceedings or investigations pending or threatened, before any court, regulatory body, administrative agency, or other tribunal or Governmental Authority (A) asserting the invalidity of this Agreement, (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, or (C) seeking any determination or ruling that might materially and adversely affect the performance by the Owner of its obligations under, or the validity or enforceability of, this Agreement, and (ii) no injunctions, writs, restraining orders or other orders in effect against the Owner that would adversely affect its ability to perform under this Agreement; and

(f) The Owner (i) has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as now conducted (except where the failure to have such licenses and permits could not individually or in the aggregate have a material adverse effect on the business or condition (financial or otherwise) of the Owner or its ability to enter into and conduct such business as currently conducted) and (ii) had at all relevant times, and now has, power, authority, and legal right to own the Owner Containers and to perform its obligations under this Agreement and the transactions contemplated hereby.

ARTICLE XXII.
CONDITIONS PRECEDENT.

Section 22.1 The obligation of the Owner to contract with the Manager to manage the operation and leasing of the Owner Containers as herein set forth is subject to (a) the Owner having received corporate resolutions of the Manager authorizing the execution, delivery and performance hereof, certified as true, complete and correct copies thereof by an authorized officer of the Manager, and an incumbency certificate in respect of the officers of the Manager authorized to execute and deliver this Agreement; (b) each of the Related Documents having been duly and properly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect on and as of the Closing Date; and (c) the Owner having received, no later than the Funding Date, legal opinions from counsel to the Manager and the Submanager, in form and substance satisfactory to the Owner and its counsel, which opinions may be from in-house counsel.

Section 22.2 The obligation of the Manager to contract with the Owner to manage the operation and leasing of the Owner Containers as herein set forth is subject to (a) the Manager having received corporate resolutions of the Owner authorizing the execution, delivery and performance hereof, certified as true, complete and correct copies thereof by an authorized officer of the Owner, and an incumbency certificate in respect of the officers of the Owner authorized to execute and deliver this Agreement; (b) each of the Related Documents having been duly and properly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect on and as of the Closing Date; and (c) the Manager and Interpool Containers Limited, as Submanager, shall have received, no later than the Funding Date, legal opinions from counsel to the Owner, in form and substance satisfactory to the Manager and its counsel.

ARTICLE XXIII.
GENERAL.

Section 23.1 Notices. All notices, demands, requests and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received (i) when delivered personally; or (ii) one (1) Business Day following the day when delivered by facsimile with verbal confirmation of receipt; or (iii) one (1) Business day following the day when deposited with a reputable, established international overnight courier service for delivery to the intended addressee with next business day delivery guaranteed, prepaid and addressed as set forth below:

To Manager: Container Applications International, Incorporated
One Embarcadero Center, Suite 2101
San Francisco, California 94111
Attention: Chief Financial Officer
Telephone: (415) 788-0100
Facsimile: (415) 788-3430

With a Copy To: Interpool Containers Limited
211 College Road East
Princeton, New Jersey 08540
Attention: Chief Financial Officer
Telephone: (609) 452-8900
Facsimile: (609) 452-8211

To Owner: P&R Equipment and Finance Corp
Industriestrasse 6
CH 6301 Zug
Switzerland
Attention: Heinz Roth
Facsimile: 011-41-41-710-9383

With a Copy To: Hakman Capital Corporation
1350 Bayshore Highway, Suite 700
Burlingame, California 94010
Attention: J. David Hakman
Telephone: (650) 348-1700
Facsimile: (650) 348-6872

To Interpool Containers Limited: Interpool Containers Limited
211 College Road East
Princeton, New Jersey 08540
Attention: Chief Financial Officer
Telephone: (609) 452-8900
Facsimile: (609) 452-8211

To Transaction Manager: Hakman Capital Corporation
1350 Bayshore Highway, Suite 700
Burlingame, California 94010
Attention: J. David Hakman
Telephone: (650) 348-1700
Facsimile: (650) 348-6872

To Container Lender Agent: Fortis Capital Corp.
Two Embarcadero Center
Suite 1330
San Francisco, CA 94111
Attention: Mr. Menno van Lacum
Telephone: (415) 283-3042
Facsimile: (415) 283-3046

Any party may change its notice address by notifying the other parties of such change of address in conformity with the provisions of this Section 23.1.

Section 23.2 Attorneys' Fees. If any Proceeding is brought for enforcement of this Agreement or because of an alleged dispute, breach, default, in connection with any provision of this Agreement, the prevailing party shall be entitled to recover, in addition to other relief to which it may be entitled, reasonable attorneys' fees and other costs incurred in connection therewith.

Section 23.3 Further Acts. The Owner and the Manager shall each perform such further acts and execute such further documents as may be reasonably necessary to implement the intent of, and consummate the transactions contemplated by, this Agreement; provided however that no material additional consideration or liability shall be required of any such party in connection with such acts.

Section 23.4 Severability. If any term or provision of this Agreement or the performance thereof shall to any extent be or become invalid or unenforceable, such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Agreement and this Agreement shall continue to be valid and enforceable to the fullest extent permitted by applicable law.

Section 23.5 Assignment; Binding Effect. This Agreement shall be binding upon and inure to the benefit of, and be enforceable by, each of the Owner, the Manager and the Submanager (for so long as it acts as a Submanager hereunder), and their respective successors in interest or permitted assigns; provided, however, that this Agreement and the rights and duties of a party hereunder may not be assigned by such party to any other Person without obtaining the prior written consent of the other parties in their sole discretion, provided that no such consent shall be required for an assignment by the Owner to a Container Lender or by the Manager or any Submanager to an Affiliate of such party or a lender of such Person.

Section 23.6 Waiver. Waiver of any term or condition of this Agreement (including any extension of time required for performance) shall be effective only if in writing signed by the party granting such waiver, and any such waiver shall not be construed as a waiver of any subsequent breach or waiver of the same term or condition or a waiver of any other term or condition of this Agreement. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver hereof.

Section 23.7 Interpretation and Construction.

(a) Any reference herein to a section or clause shall be deemed to include a reference to any subsection and sub-clause thereof. The titles and subtitles used in this Agreement, the table of contents and the recitals at the beginning of this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. Any reference

made in this Agreement to a statute or statutory provision shall mean such statute or statutory provision as it has been amended through the date as of which the particular portion of the Agreement is to take effect, or to any successor statute or statutory provision relating to the same subject as such statutory provision referenced in this Agreement, and to any then applicable rules or regulations promulgated thereunder.

(b) The words “include” and “includes” and “including” and variations thereof used herein shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation” in each case, unless otherwise expressly indicated to the contrary. The words “herein”, “hereof”, “hereunder” and words of similar import shall refer to this Agreement as a whole (including its Schedules and Exhibits), unless the context clearly indicates to the contrary.

(c) Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

(d) This Agreement has been carefully negotiated between the parties hereto with the full involvement and assistance of their respective legal counsel.

Section 23.8 Entire Agreement. This Agreement, including the Exhibits and Schedules hereto, together with any other agreement executed and delivered contemporaneously herewith, set forth the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein, and supersede all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written or express or implied, by any party or any officer, employee or representative of any party hereto.

Section 23.9 Amendment. The terms of this Agreement may be amended or modified only by a written instrument signed by the Manager, the Submanager (if any) and the Owner.

Section 23.10 Counterparts. This Agreement may be signed in two or more counterparts each of which shall constitute an original instrument, but all of which together shall constitute but one and the same instrument.

Section 23.11 Signatures. Any signature required with respect to this Agreement may be provided via facsimile or by electronic means and shall in either case be equally effective as the delivery of an originally executed counterpart.

Section 23.12 Governing Law. THIS AGREEMENT SHALL BE CONSTRUED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING NEW YORK GENERAL OBLIGATIONS LAW SECTIONS 5-1401 AND 5-1402, BUT OTHERWISE WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW AND THE RIGHTS, OBLIGATIONS AND REMEDIES OF THE PARTIES HERETO SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 23.13 Dispute Resolution.

(a) Arbitration. Notwithstanding any contrary provision hereof, all disputes and controversies arising out of or in connection with this Agreement shall be resolved exclusively by binding arbitration conducted by a single neutral arbitrator generally qualified in the subject matter of the dispute. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) and shall be held in New York, New York. A party may seek confirmation and enforcement by any court of competent jurisdiction of any final award; or any injunctive or other interim relief provided by the arbitrator without waiting for a final award by the arbitrator. Either party also may bring an action in a court of competent jurisdiction to compel arbitration under this Agreement or for emergency injunctive relief pending the outcome of such arbitration.

(b) Submission. Subject to and limited by the foregoing, any such disputes and controversies arising out of or in connection with this Agreement and subject to litigation shall be resolved by the state and federal courts exclusively located in New York County in the State of New York, and each party hereto agrees to submit to the exclusive jurisdiction of said courts and agrees that venue shall lie exclusively with such courts. Provided that if the state and federal courts located in New York City in the State of New York do not accept jurisdiction thereof, then the party filing suit may do so in such other appropriate jurisdiction as selected by the filing party in its sole discretion.

(c) Legal Action or Proceeding. Each of the Manager and the Owner hereby irrevocably appoints and designates CT Corporation System, having an address at 111 Eighth Avenue, New York, New York 10011, as its true and lawful attorney-in-fact and duly authorized agent for the limited purpose of accepting service of legal process, and each of the Manager and the Owner agrees that service of process upon such party shall constitute personal service of such process on such Person. Interpool Containers Limited, for so long as it is a Submanager hereunder, hereby irrevocably appoints and designates Interpool, Inc., having an address at 633 Third Avenue, New York, New York 10017, as its true and lawful attorney-in-fact and duly authorized agent for the limited purpose of accepting service of legal process, and the Submanager agrees that service of process upon such party shall constitute personal service of such process on such Person. Each of the Owner, the Manager and Interpool Containers Limited shall maintain the designation and appointment of such authorized agent until the termination of this Agreement; provided however if such agent shall cease to so act, each of the Owner, the Manager and Interpool Containers Limited shall immediately designate and appoint another such agent and each shall promptly deliver to the other evidence in writing of such other agent’s acceptance of such appointment.

Section 23.14 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, AS AGAINST THE OTHER PARTIES HERETO, ANY RIGHTS IT MAY HAVE TO A JURY TRIAL IN RESPECT OF ANY CIVIL ACTION OR PROCEEDING (WHETHER ARISING IN CONTRACT OR TORT OR OTHERWISE), INCLUDING ANY COUNTERCLAIM, ARISING UNDER OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT, INCLUDING IN RESPECT OF THE NEGOTIATION, ADMINISTRATION OR ENFORCEMENT HEREOF OR THEREOF.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Closing Date.

P&R EQUIPMENT AND FINANCE CORP

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

**CONTAINER APPLICATIONS
INTERNATIONAL, INCORPORATED**

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

INTERPOOL CONTAINERS LIMITED

By: _____
Name: _____
Title: _____

**SCHEDULE 1 TO THE
MANAGEMENT AGREEMENT
AMONG
P&R EQUIPMENT AND FINANCE CORP,
CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, AND
INTERPOOL CONTAINERS LIMITED**

CEU VALUE BY CONTAINER TYPE

<u>CONTAINER TYPE</u>	<u>TYPE CODE</u>	<u>CEU VALUE</u> <i>[To be verified by CAI]</i>
20' Folding Flatrack	20FLT	***
20' Standard Dry Cargo	20DRY	***
20' Open Top	20TOP	***
20' Refrigerated Container	20RFR	***
20' Insulated High Cube	20IHC	***
40' High Cube Dry Cargo	40HIC	***
40' HC Refrigerated Container	40HCR	***
40' Folding Flatrack	40FLT	***
40' Standard Dry Cargo	40DRY	***
40' Insulated High Cube	40IHC	***
40' Open Top	40TOP	***
45' High Cube Dry Cargo	45HIC	***
53' Standard Dry Cargo		

***] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

**SCHEDULE 2A TO THE
MANAGEMENT AGREEMENT
AMONG
P&R EQUIPMENT AND FINANCE CORP,
CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, AND
INTERPOOL CONTAINERS LIMITED**

FORM OF MANAGER REPORT

CAI, INC. or INTERPOOL
Report of Revenues and Operating Expenses
On An Accrual Basis For Pool #
Date:

EXAMPLE REPORT

To:
Hakman Capital Corporation, Owner's Agent
1350 Old Bayshore Highway
Suite 300
Burlingame, CA 94010

From:
Container Applications International, Inc.
OR
Interpool Containers Limited

REVENUE

OPERATING EXPENSES

NET OPERATING INCOME

\$ ***

0.00

[***] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

NET DISTRIBUTION to Owner \$ ***

Summary of Net Distribution to Owner:

Net Distribution to Owner from leasing activities \$ ***

Net Distribution to Owner from equipment sales \$ ***
(Schedule 3)

Total Distribution to Owner \$ ***

Calculation of Management Fee

Containers managed at the end of month: January 31, 2006

— —
Total

(A)=Average daily NOI per SCU=NOI/Total SCU Available Days= ***

* Minimum days & termination charges.

Container Applications International, Inc.

OR

Interpool Containers Limited

By: _____

Title:

[***] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

CONTAINER APPLICATIONS INTERNATIONAL, INC.
 Interpool Containers Limited
 P & R Equipment & Finance Corporation
 Pool #

Date

EXAMPLE

***	***	***	***	***	***	***	
***		***	***	***	***	***	***
CAXU	240151	***	***	***			
CAXU	262700	***	***	***			
CAXU	241051	***	***	***			
CAXU	239851	***	***	***			
CAXU	239951	***	***	***			
CAXU	242251	***	***	***			
CAXU	430301	***	***	***	***	***	
CAXU	430501	***	***	***	***	***	
CAXU	430601	***	***	***	***	***	
CAXU	430701	***	***	***	***	***	
CAXU	430801	***	***	***	***	***	
CAXU	431701	***	***	***	***	***	
<hr/>							
TOTALS	***	***	***				
<hr/>							

[***] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

CONTAINER APPLICATIONS INTERNATIONAL, INC.
OR
INTERPOOL CONTAINERS LIMITED
P & R Equipment & Finance Corporation
Pool #
Schedule 2—Utilization Rate Computation

	Equipment Type			Total
	20'	40'	40'HC	

Per Managed Unit Available Days Report	***	***	***	***
Multiply by SCU Unit	***	***	***	***
Total SCU Available Days	***	***	***	***
***:				
Per Billing Summary Report				
"P & R Managed Units by Equipment Type" **	***	***	***	***
***	***	***	***	
***	***	***	***	***
UTILIZATION RATE	***	***	***	***

* ***
** ***

***] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

CONTAINER APPLICATIONS INTERNATIONAL, INC.
ITNERPOOL CONTAINERS LIMITED
P & R's Equipment Sales For Pool #
Date:
Schedule 3—Unit Activity for Month

EXAMPLE REPORT

Unit Id.	Equip Type	Invoice #	Sale/Transfer Date	Sale Price	Acquired Date	Manager Sale Fee	Net Proceeds To Owner
Sales:							
CAXU 243372	***	***	***	***	***	***	***
CAXU 243372	***	***	***	***	***	***	***
CAXU 252172	***	***	***	***	***	***	***
CAXU 252172	***	***	***	***	***	***	***
CAXU 254878	***	***	***	***	***	***	***
CAXU 262702	***	***	***	***	***	***	***
CAXU 494438	***	***	***	***	***	***	***
		***	***	***	***	***	***
Reinstatements:							
CAXU 240806	***	***	***	***	***	***	***
CAXU 241081	***	***	***	***	***	***	***
CAXU 242355	***	***	***	***	***	***	***
CAXU 242510	***	***	***	***	***	***	***
CAXU 251728	***	***	***	***	***	***	***
CAXU 254302	***	***	***	***	***	***	***
CAXU 254665	***	***	***	***	***	***	***
CAXU 254895	***	***	***	***	***	***	***
CAXU 262733	***	***	***	***	***	***	***
CAXU 431746	***	***	***	***	***	***	***
CAXU 433390	***	***	***	***	***	***	***
CAXU 434464	***	***	***	***	***	***	***
		***	***	***	***	***	***
Casualties							
CAXU 240806	***	***	***	***	***	***	***
CAXU 241081	***	***	***	***	***	***	***
CAXU 242355	***	***	***	***	***	***	***
CAXU 242510	***	***	***	***	***	***	***
CAXU 251728	***	***	***	***	***	***	***
CAXU 254302	***	***	***	***	***	***	***
CAXU 254665	***	***	***	***	***	***	***
CAXU 254895	***	***	***	***	***	***	***
CAXU 262733	***	***	***	***	***	***	***

				GRAND TOTALS	***	***	***
Transfers from IP to CAI:							
***	***	***	***	***	***		
***	***	***	***	***	***		
***	***	***	***	***	***		
***	***	***	***	***	***		
***	***	***	***	***	***		
***	***	***	***	***	***		
***	***	***	***	***	***		
***	***	***	***	***	***		

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**SCHEDULE 2B TO THE
MANAGEMENT AGREEMENT
AMONG
P&R EQUIPMENT AND FINANCE CORP,
CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, AND
INTERPOOL CONTAINERS LIMITED**

FORM OF LIST OF CONTAINERS

Interpool, Inc.
CAI Per Diem Analysis

Commingled Fleet:1

		Gross	Net		
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Specific ID Fleet:1 2

20'		***	***	***	***
40'		***	***	***	***
HC		***	***	***	***

Other Accounts:3

2075	20'	***			
	40'	***			
	HC	***			
2077	20'	***			
	HC	***			
2079	20'	***			
	HC	***			
2080	20'	***			
	HC	***			
9100	20'	***			
9101	20'	***			
9102	20'	***			
9103	40'	***			
9104	20'	***			
9105	20'	***			
9106	20'	***			
9111	20'	***			
	HC	***			

***] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

**SCHEDULE 3 TO THE
MANAGEMENT AGREEMENT
AMONG
P&R EQUIPMENT AND FINANCE CORP,
CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, AND
INTERPOOL CONTAINERS LIMITED**

OPERATING EXPENSES

	<u>per-unit basis</u>	<u>Charged on a</u>	<u>pro-rata basis</u>
***	***		***
***	***		***
***	***		***
***	***		***
***	***		***
***	***		***
***1	***		***
***	***		***
***	***		***
***2	***		***
***	***		***
***3	***		***
***4	***		***

[Unit Specific/Prorata allocation to be verified by CAI.]

1 ***
2 ***
3 ***
4 ***

*****] = Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.**

**SCHEDULE 4A TO THE
MANAGEMENT AGREEMENT
AMONG
P&R EQUIPMENT AND FINANCE CORP,
CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, AND
INTERPOOL CONTAINERS LIMITED**

**LISTING OF OWNER CONTAINERS THAT ARE CAI-MANAGED
CONTAINERS**

*** Confidential Treatment Requested with respect to entire Schedule 4A, comprising 2,995 pages.

**SCHEDULE 4B TO THE
MANAGEMENT AGREEMENT
AMONG
P&R EQUIPMENT AND FINANCE CORP,
CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, AND
INTERPOOL CONTAINERS LIMITED**

**LISTING OF LEASES TO WHICH CAI-MANAGED CONTAINERS ARE
SUBJECT**

**Interpool List of
Lease Agreements**

<u>Contract #</u>	<u>Lessee</u>	<u>Leasetype</u>
277	FESCO	WD
513	CMA/CGM	WD
574	CMA/CGM	WD
583	BULCON	WD
596	BULCON	SP
611	MAERSK	WD
614	CONSHIP	SP
644	OOCL/CHINA	WD
652	OOCL/CHINA	WD
699	APL CO.PTE	WD
716	CONSHIP	SP
799	DELI MADJU	WD
815	YANG MING	WD
835	OOCL/CHINA	WD
943	FESCO	WD
1029	OOCL/CHINA	WD
1099	NYK LINE	WD
1170	O.A.C.L.	SP
1315	OOCL/CHINA	WD
1347	NYK LINE	WD
1352	PIL	SP
1357	NYK LINE	WD
1358	NYK LINE	WD
1361	NYK LINE	WD
1363	EVERGREEN	RA
1366	OOCL/CHINA	WD
1367	PIL	SP
1373	NYK LINE	WD
1382	HUB SHPPNG	SP
1396	NYK LINE	WD
1606	C.C.N.I.	SP
1618	CMA/CGM	WD
1651	CHILEAN	SP
1731	MAERSK	SP
1784	CMA/CGM	SP
1864	CHILEAN	SP
1905	SAMUDERA	SP
1927	COSCO	WD
1930	FESCO	WD
1941	COSCO	WD

1951	FESCO	WD
1957	EVERGREEN	SP
1959	NYK LINE	SP
1961	NYK LINE	WD
1962	COSCO	WD
1963	FESCO	WD
1989	COSCO	WD
1991	WAN HAI SS	SP
1999	NYK LINE	WD
2049	P&ONEDLOYD	SP
2205	MED SHIP	SP
2211	P&ONEDLOYD	SP
2228	MED SHIP	NC
2232	MAERSK	SP
2246	MED SHIP	NC
2247	MED SHIP	NC
2252	P&ONEDLOYD	SP
2264	P&ONEDLOYD	SP
2269	P&ONEDLOYD	SP
2270	P&ONEDLOYD	SP
2287	CMA/CGM	SP
2291	CHILEAN	SP
2292	CHILEAN	SP
2293	CHILEAN	SP
2294	CHILEAN	SP
2295	CHILEAN	SP
2400	FESCO	WD
2404	COSCO	SP
2409	NYK LINE	SP
2410	NYK LINE	SP
2417	PIL	SP
2421	NYK LINE	SP
2426	COSCO	SP
2427	EVERGREEN	SP
2434	COSCO	SP
2445	PIL	SP
2446	PIL	SP
2451	NYK LINE	SP
2453	NYK LINE	SP
2456	COSCO	SP
2459	EVERGREEN	SP
2471	COSCO	SP
2476	PIL	SP
2478	COSCO	SP
2485	YANG MING	SP
2734	P&ONEDLOYD	SP
2738	CMA/CGM	SP
2742	CHILEAN	SP

2743	CHILEAN	SP
2749	CHILEAN	SP
2753	P&ONEDLOYD	SP
2773	CHILEAN	SP
2774	CHILEAN	SP
2775	CHILEAN	SP
2779	CMA/CGM	NC
2784	P&ONEDLOYD	SP
2785	CMA/CGM	NC
2786	HANJIN	SP
2795	O.A.C.L.	SP
2799	CMA/CGM	SP
2800	CMA/CGM	NC
2803	MAERSK	SP
2808	C.C.N.I.	SP
2813	CHILEAN	SP
2833	MED SHIP	SP
2835	P&ONEDLOYD	SP
2838	CHILEAN	SP
2848	CHINA NAV	WD
2849	CHINA NAV	WD
2850	CHINA NAV	WD
2852	CHILEAN	SP
2853	EMCO	SP
2854	CMA/CGM	NC
2859	C.C.N.I.	SP
2865	NMC	SP
2877	O.A.C.L.	SP
2881	MARUBA	SP
2892	CHILEAN	SP
2897	CHILEAN	SP
2903	COSCO	SP
2912	MARIANA EX	SP
2917	COSCO	SP
2920	COSCO	SP
2927	COSCO	SP
2928	COSCO.	SP
2932	EVERGREEN	SP
2938	MARIANA EX	SP
2946	COSCO	SP
2948	COSCO	SP
2950	CHINA SHIP	SP
2952	YANG MING	SP
2956	NYK LINE	SP
2958	CHINA SHIP	SP
2962	YANG MING	SP
2963	COSCO	SP
3505	CMA/CGM	NC
3516	CMA/CGM	NC
3540	CHILEAN	SP

**SCHEDULE 4C TO THE
MANAGEMENT AGREEMENT
AMONG
P&R EQUIPMENT AND FINANCE CORP,
CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, AND
INTERPOOL CONTAINERS LIMITED**

LISTING OF OWNER CONTAINERS THAT ARE INTERPOOL CONTAINERS

**SCHEDULE 4D TO THE
MANAGEMENT AGREEMENT
AMONG
P&R EQUIPMENT AND FINANCE CORP,
CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, AND
INTERPOOL CONTAINERS LIMITED**

LISTING OF LEASES TO WHICH INTERPOOL CONTAINERS ARE SUBJECT

**Interpool
List of Lease Agreements**

<u>Contract #</u>	<u>Lessee</u>	<u>Leasetype</u>
277	FESCO	WD
513	CMA/CGM	WD
574	CMA/CGM	WD
583	BULCON	WD
596	BULCON	SP
611	MAERSK	WD
614	CONSHIP	SP
644	OOCL/CHINA	WD
652	OOCL/CHINA	WD
699	APL CO.PTE	WD
716	CONSHIP	SP
799	DELI MADJU	WD
815	YANG MING	WD
835	OOCL/CHINA	WD
943	FESCO	WD
1029	OOCL/CHINA	WD
1099	NYK LINE	WD
1170	O.A.C.L.	SP
1315	OOCL/CHINA	WD
1347	NYK LINE	WD
1352	PIL	SP
1357	NYK LINE	WD
1358	NYK LINE	WD
1361	NYK LINE	WD
1363	EVERGREEN	RA
1366	OOCL/CHINA	WD
1367	PIL	SP
1373	NYK LINE	WD
1382	HUB SHPPNG	SP
1396	NYK LINE	WD
1606	C.C.N.I.	SP
1618	CMA/CGM	WD
1651	CHILEAN	SP
1731	MAERSK	SP
1784	CMA/CGM	SP
1864	CHILEAN	SP
1905	SAMUDERA	SP
1927	COSCO	WD
1930	FESCO	WD
1941	COSCO	WD

1951	FESCO	WD
1957	EVERGREEN	SP
1959	NYK LINE	SP
1961	NYK LINE	WD
1962	COSCO	WD
1963	FESCO	WD
1989	COSCO	WD
1991	WAN HAI SS	SP
1999	NYK LINE	WD
2049	P&ONEDLOYD	SP
2205	MED SHIP	SP
2211	P&ONEDLOYD	SP
2228	MED SHIP	NC
2232	MAERSK	SP
2246	MED SHIP	NC
2247	MED SHIP	NC
2252	P&ONEDLOYD	SP
2264	P&ONEDLOYD	SP
2269	P&ONEDLOYD	SP
2270	P&ONEDLOYD	SP
2287	CMA/CGM	SP
2291	CHILEAN	SP
2292	CHILEAN	SP
2293	CHILEAN	SP
2294	CHILEAN	SP
2295	CHILEAN	SP
2400	FESCO	WD
2404	COSCO	SP
2409	NYK LINE	SP
2410	NYK LINE	SP
2417	PIL	SP
2421	NYK LINE	SP
2426	COSCO	SP
2427	EVERGREEN	SP
2434	COSCO	SP
2445	PIL	SP
2446	PIL	SP
2451	NYK LINE	SP
2453	NYK LINE	SP
2456	COSCO	SP
2459	EVERGREEN	SP
2471	COSCO	SP
2476	PIL	SP
2478	COSCO	SP
2485	YANG MING	SP
2734	P&ONEDLOYD	SP
2738	CMA/CGM	SP
2742	CHILEAN	SP

2743	CHILEAN	SP
2749	CHILEAN	SP
2753	P&ONEDLOYD	SP
2773	CHILEAN	SP
2774	CHILEAN	SP
2775	CHILEAN	SP
2779	CMA/CGM	NC
2784	P&ONEDLOYD	SP
2785	CMA/CGM	NC
2786	HANJIN	SP
2795	O.A.C.L.	SP
2799	CMA/CGM	SP
2800	CMA/CGM	NC
2803	MAERSK	SP
2808	C.C.N.I.	SP
2813	CHILEAN	SP
2833	MED SHIP	SP
2835	P&ONEDLOYD	SP
2838	CHILEAN	SP
2848	CHINA NAV	WD
2849	CHINA NAV	WD
2850	CHINA NAV	WD
2852	CHILEAN	SP
2853	EMCO	SP
2854	CMA/CGM	NC
2859	C.C.N.I.	SP
2865	NMC	SP
2877	O.A.C.L.	SP
2881	MARUBA	SP
2892	CHILEAN	SP
2897	CHILEAN	SP
2903	COSCO	SP
2912	MARIANA EX	SP
2917	COSCO	SP
2920	COSCO	SP
2927	COSCO	SP
2928	COSCO.	SP
2932	EVERGREEN	SP
2938	MARIANA EX	SP
2946	COSCO	SP
2948	COSCO	SP
2950	CHINA SHIP	SP
2952	YANG MING	SP
2956	NYK LINE	SP
2958	CHINA SHIP	SP
2962	YANG MING	SP
2963	COSCO	SP
3505	CMA/CGM	NC
3516	CMA/CGM	NC
3540	CHILEAN	SP

**EXHIBIT A-1 TO THE
MANAGEMENT AGREEMENT
AMONG
P&R EQUIPMENT AND FINANCE CORP,
CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, AND
INTERPOOL CONTAINERS LIMITED**

**MASTER EQUIPMENT LEASE AGREEMENT — INTERPOOL CONTAINERS
LIMITED**

Exhibit A-1

**MEMBERSHIP AND EQUIPMENT
LEASING AGREEMENT**

This Lease Agreement entered into (month) (day), (year), between INTERPOOL CONTAINERS LIMITED (“Lessor” or “Interpool”), a Barbados corporation whose principal place of business is at 211 College Road East, Princeton, NJ 08540 U.S.A., and _____ (hereinafter referred to as “Lessee”), a company organized under the laws of _____ whose principal place of business is at _____.

WHEREAS, Lessor has established an international pool of containers, chassis and other equipment for the carriage of cargo; and

WHEREAS, Lessee desires to lease equipment in said pool, and also desires equipment to be available for such use:

WITNESSETH

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, Lessor and Lessee agree as follows:

**ARTICLE 1
Leasing**

Subject to the terms and conditions hereinafter set forth, Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor such containers, chassis or other equipment as may be listed or described in one or more addenda hereto executed from time to time by Lessor or any division of Lessor and Lessee (the “Units”). Such addenda may set forth any additional terms to which the parties may agree including, without limitation, lease terms, rental rates, pick-up and drop-off points and special conditions. This lease, together with all such addenda and all extensions, renewals, amendments and modifications hereinafter entered into between Lessor and Lessee are referred to collectively hereinafter as the “Lease”. All containers, chassis or other equipment of Lessor that is picked up by or coming under the control of Lessee including all such equipment listed in all communications of Lessor to Lessee or its agents shall be subject to the terms and conditions of the Lease.

**ARTICLE 2
Term, Rental**

The term of lease for each Unit leased hereunder shall commence upon date of delivery of such Unit to Lessee or its representative and shall continue until the date set out in the applicable addendum. If the term is extended or renewed, all provisions of this Lease shall apply during any extension or renewal period.

Lessee shall pay all rental charges due under the Lease monthly in advance unless otherwise agreed in writing and all other charges as same shall become due hereunder. All payments hereunder shall be in currency of the United States. The obligation to make rental

or any other payments to Lessor shall not be deemed waived, delayed, abated or eliminated for any reason, including, without limitation, force majeure, war, civil commotion, insurrection or the like which has the effects of denying Lessee the temporary or permanent use of any Unit, or any failure of Lessor to perform any obligation of Lessor to Lessee under this Lease. No payment to be made by Lessee hereunder shall be subject to reduction, limitation, impairment, set-off or counterclaim whether arising out of an alleged breach by Lessor or any third party or otherwise, provided, however, that this paragraph shall not be deemed a bar to Lessee's right to assert any claims to which it may be entitled against Lessor, in a separate proceeding.

The rental period for each Unit shall commence on the date of delivery of such Unit to Lessee or its representative, and shall end, at the expiration of the day that the Unit is taken off hire pursuant to Article 9 hereof. If redelivery of any Unit is impossible because of total loss or constructive total loss, then the rental period for such Unit shall end when Lessee tenders the replacement cost of such Unit to Interpool pursuant to Lessee's obligation under Article 9 hereof. Unless otherwise agreed, the minimum rental period for each Unit shall be thirty (30) days.

Lessee shall pay interest for late payment of any sum due Lessor under this Lease at the lesser of the highest legal rate or one-and-one-half percent (1 1/2%) per month commencing on the tenth (10th) day after the day on which Lessee receives Lessor's invoice for such sum.

ARTICLE 3
Disclaimer of Warranties

Each Unit subject to this Lease is leased AS IS, and Lessor warrants only that Lessee so long as it is not in default hereunder shall have quiet possession against any person claiming through Lessor. LESSOR EXPRESSLY DISCLAIMS ANY WARRANTIES, EXPRESS OR IMPLIED, OF QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE WITH RESPECT TO ANY UNIT AND HAS NOT MADE, AND SHALL NOT BE BOUND BY, ANY STATEMENT, AGREEMENT OR REPRESENTATION NOT SPECIFICALLY SET OUT IN WRITING AND SIGNED BY LESSOR. LESSOR SHALL NOT BE LIABLE FOR LOSS OF USE OF THE EQUIPMENT, LOSS OF TIME, INCONVENIENCE OR ANY OTHER CONSEQUENTIAL DAMAGES.

ARTICLE 4
Ownership; Subleasing; Substitution; Encumbrances

This Lease shall not be deemed a sale or anything other than a true lease for any purpose. Each Unit shall at all times remain the property of Lessor, and Lessee shall acquire no ownership rights of any nature by virtue of this Lease. Some of the Units leased to Lessee may be owned by a third party and leased by it to Lessor. This Lease shall be subject and subordinate to any such leases. In the event that such third party becomes entitled to possession of any Unit, Lessee agrees, if requested by Lessor, to attorn to or enter into a new lease with such third party, the terms and conditions of which will be consistent with this agreement. The Units may be owned by a third party and managed by Lessor under a management agreement that limits the term for which the Units can be leased. In the event such third party becomes entitled to possession of such Units, Lessee will return them to such third party upon written request by Lessor and Lessor, at Lessee's request, will replace at Lessor's expense, the Units returned with comparable Units. Lessor can substitute other Units for some or all of the Units leased at any time providing the substitute Units are of a similar type and in as good condition as the Units leased. All costs connected with such substitution shall be borne by Lessor.

Lessee shall not sublet any Unit or assign this Lease or any rights hereunder without the prior written consent of Lessor except as required through the normal course of business. Lessee agrees to execute such documents as Lessor shall deem necessary in order to perfect its security interest in such assignment. Lessee shall not pledge, hypothecate, mortgage, create any security interest in or otherwise encumber or permit the encumbrance of any Unit other than any encumbrances that result from acts of lessor and any persons claiming against or through lessor. Lessee shall promptly at its own expense take all actions necessary to discharge any lien, charge or other encumbrance asserted by any party against any Unit arising after delivery of such Unit to Lessee. Notwithstanding the foregoing, Lessee shall have the right to contest in good faith by appropriate proceedings diligently pursued and available to Lessee, any lien, charge or other encumbrances asserted by any party against any Unit. Each Unit shall have Lessor's serial numbers and other identifying marks affixed thereto, which shall not be obliterated, altered, concealed or otherwise changed or hidden from view by Lessee so as to prevent or block access to such number or marks.

ARTICLE 5
Delivery of Equipment and interchange of Units

Lessor will use its best efforts to make the Units available for delivery to Lessee on the dates specified in the Lease at the locations agreed upon by Lessor and Lessee, but Lessor shall not be liable for any delays in delivery beyond its reasonable control. The signature of Lessee or its representative on an equipment interchange receipt shall constitute conclusive evidence that the Unit to which same relates has been delivered to Lessee and that Lessee has examined the Unit and found it to be free of all damage (except as described otherwise in said receipt) and in good operating condition. Notwithstanding any entry in such receipt, nothing shall affect Lessee's obligation to pay the full rental charge or any other obligations under this Lease.

If the manufacturer fails to make any Unit available for Lessee's inspection in accordance with the terms and conditions of this Lease and any addenda hereto, then Lessee may at its option reject such Unit, in which event (a) the number of Units required to be leased shall be reduced by the number of Units so rejected by Lessee, and the rent due shall be reduced accordingly, and (b) Lessor shall refund to Lessee the Lease rental payments made hereunder with respect to all such rejected Units, if any.

Subject to any provision in the Lease requiring Lessee to maintain certain minimum numbers of Units or specific Units on lease for designated periods of time, Lessee may interchange Units leased with no fixed term to another ocean carrier provided that such interchange and carrier are approved in advance by Lessor and Lessee obtains an interchange receipt signed by the new carrier or its authorized agent acknowledging receipt of the Unit, noting any damages to the Unit and acknowledging its responsibility for damages upon redelivery to Lessor. An interchanged Unit shall not be deemed off-hired by lessor unless such receipt is received by Interpool or its agent.

ARTICLE 6
Operation, Maintenance and Repairs

Lessee shall at all times maintain the Units, at its own cost and expense in good and safe repair and operating condition in accordance with manufacturer's specifications and the International Convention for Safe Containers ("CSC"), International Institute of Container Lessors ("IICL") guidelines and U.S. FHWA inspection standards, as applicable. Lessee shall be responsible for all damages and changes in the condition of the Units, subject to the provisions of Article 9 hereof relating to such normal wear and tear on all Units and damage prior to delivery to Lessee noted on the on-hire equipment interchange receipt. Lessee's maintenance and repair obligations shall include, without limitation, washing and cleaning each Unit regularly inside and outside to prevent corrosion and spot painting and replacement of parts as may be necessary. Lessee shall comply with all loading limitations, handling procedures and operating instructions to prevent excessive impact or unbalanced loading. Lessee shall not use any Unit for storage or transportation of unsuitable contents which may damage the Unit, including, without limitation, unprotected corrosive substances, poorly secured materials or bulk commodities which may corrode, oxidize, severely dent, puncture, contaminate, stain or damage the Unit.

Lessee shall make no modifications, improvements, repairs or replacements, nor attach accessories or additions to any Unit, without the prior written consent of Lessor, (which shall not be reasonably refused) except as may be necessary to comply with the provisions of this Lease. All improvements, repairs, accessories and replacements made or attached to any Unit by lessee shall become part of the Unit and the Property of Lessor without Lessor incurring any liability therefor, or at Lessor's option shall be removed and the Unit shall be restored to its original condition at Lessee's expense. Lessee shall not change or supplement any identification marks on any Unit except as agreed upon in writing between Lessor and Lessee.

Lessee shall at all times comply with all conventions, laws, regulations or orders of federal, state, foreign and local governments and agencies which in any way affect any Unit or its use, operation or storage or which in any way affect this Lease and shall be liable for all fines, penalties, fees and interest thereon for failure to comply. Lessee shall comply in all respects with the CSC and shall have and exercise such responsibility as would otherwise be Lessor's as owner for maintenance, examination and repair. Lessee shall also comply in all respects with all applicable customs conventions that provide requirements relating to temporary admission, transport of goods under customs seal, maintenance of records or otherwise. Lessee shall at its own expense comply with all rules and practices of ports, depots, storage areas and transportation companies consistent with the other requirements herein.

ARTICLE 7
Taxes and Other Expenses

Lessee shall be responsible for all applicable sales, use, excise, property, stamp or other taxes, levies, import duties, charges or withholdings of any nature (together with penalties, fines or interest thereon) imposed against Lessor, Lessee or any Unit by any governmental or taxing authority if such taxes or charges are based upon the possession or use of the units by Lessee upon or with respect to any Unit, or upon the leasing, delivery, possession, use, operation, redelivery or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, excluding, however, (i) all such taxes, levies, import duties, charges and withholdings that are imposed and accrued with respect to a Unit prior to its delivery to Lessee and (ii) any taxes levied on Lessor's revenue, income, capital or business franchise. Lessee shall pay all other expenses relating to Units arising during the rental period including but not limited to expenses incurred in ports, depots or storage areas.

The above is subject to: (a) Lessor giving prompt notice to Lessee; and (b) Lessee having the right to contest in good faith by Appropriate proceedings diligently pursued and available to Lessee, any such tax or charge.

ARTICLE 8
Risk of Loss

Subject to the provisions of Section 9 of the Lease, Lessee shall be liable for all loss and damage to each Unit subsequent to delivery to Lessee and prior to return to Lessor, regardless of when such damage may be discovered. In the event any Unit is damaged

beyond repair, requisitioned by any governmental entity, lost or destroyed (a "Casualty Occurrence"), the Lessee shall pay to the Lessor the Depreciated Value for such Unit. The Depreciated Value shall be calculated based on an attached schedule when equipment is leased out. Depreciated Value shall be defined as the greater of the original cost of the unit to the Lessor or the current cost of a new unit of equipment. Lessee shall notify Lessor in writing immediately upon discovery of a Casualty Occurrence. Lessee shall pay rental charges pursuant hereto until the date that full settlement is made therefor. In the event that full settlement is not made within 30 days after the return date specified in the Lease, Lessee shall be liable for Lessor's standard daily rental charge for such Unit at the rate prevailing on each day after expiration of the aforesaid 30 days. Full settlement shall consist of proof of such loss satisfactory to Lessor and full payment of the depreciated value of the Unit. In the event of a Casualty Occurrence, Lessor may elect, but shall not be obligated to deliver another Unit of like kind and condition as the Unit suffering the Casualty Occurrence to Lessee in substitution therefor which shall become in all respects subject to the terms hereof.

After compliance with the foregoing to Lessor's satisfaction, and provided Lessee is not in default under this Lease, Lessee shall be subrogated to Lessor's rights with respect to any insurance policies or claims for reimbursement by others with respect to such loss, damage, theft or destruction.

ARTICLE 9 Redelivery of Units

Lessee shall redeliver each Unit, at Lessee's sole expense, to redelivery locations specified in the applicable addendum, or in the absence thereof to Interpool's authorized depot at any pool point listed in Lessor's most recent "Bulletin" or at any other location agreed to in advance in writing by Lessor. All redelivery points and dates specified in an addendum are subject to drop-off charges set forth therein, or in the absence thereof, as listed in the "Bulletin" in effect at the time of redelivery, or in the case of redeliveries to other locations, as specified by Lessor.

Upon return of a Unit, the Lessor and Lessee may execute a joint condition inspection report identifying and acknowledging any changes in the condition of the Unit subsequent to delivery. Lessee at its expense will have completed a cleanliness certificate issued by a recognized classification society, if requested by Lessor. Lessee shall return all Units to Lessor free of damage and in a condition evidencing the standard of maintenance required in paragraph 6 hereof, including, without limitation, compliance with all applicable laws and regulations applicable to the use and operation of the Unit. Notwithstanding the foregoing, Lessee shall not be responsible for (i) such normal wear and tear defined below as may reasonably be expected between delivery of the Unit and the date of its return or for (ii) such damage to the Unit that occurred prior to delivery to or on behalf of Lessee provided that in the event of a dispute, Lessee provides Lessor with a copy of the interchange receipt executed at the time of delivery to Lessee evidencing such damage. Normal wear and tear shall be determined in accordance with the current guidelines published by the International Institute of Container Lessors, International Convention for Safe Containers and U.S. FHWA (incorporated by reference herein) and may include light oxidation or light rust, random small dents and scratches on any side of a Unit caused by normal handling, ground storage, ship storage and securing, transport and loading and discharge consistent with good

practice and in accordance with any specifications, handling procedures and operating instructions as may have been given by Lessor to Lessee. Notwithstanding the two preceding sentences, changes which could have been prevented by routine washing, routine lubrication, spot painting, or other normal repair or maintenance changes affecting security, water tightness, weather proof qualities, mechanical and/or electrical function of integral components, the integrity of design or structure, or by adherence to applicable regulatory or classification society requirements, or changes affecting the inside or outside dimensions or cubic content of a Unit, whether or not such changes add thereto or subtract therefrom, or changes which may threaten the safety of person or property, shall in no event constitute normal wear and tear, and Lessee shall be liable therefor. Lessor shall have the right to inspect all Units leased under this Lease at any reasonable time and at Lessor's sole cost, and upon Lessor's request, Lessee shall furnish Lessor with a list of all locations of Units, as of the most recent date possible and take all reasonable steps to make the Units available for inspection. With regard to chassis and trailer equipment, Lessee shall return such Units with a complete set of tires with a minimum tread of 4/32", with air to 85 p.s.i. for 24 hours. There will be no cuts to tire cord or flat spots within 4/32" from the surface. Minor oxidation only shall be acceptable, notwithstanding the provisions of this Lease otherwise exempting Lessee from liability for "normal wear and tear".

Units will be inspected at the expense of Lessee upon their return to the agreed-upon depot. If a Unit is in the required condition, the Unit shall be taken off-hire and the rental charge shall cease. If a Unit is returned to a depot location authorized by Lessor in damaged condition, Lessor or such depot will so advise Lessee upon discovery thereof. Lessor shall, in its sole discretion, have the right to require Lessee to repair the Unit, to authorize the repair of the Unit at Lessee's expense or to refrain from repairing the Unit and invoice Lessee for the amount of damages for which it is liable hereunder. In the event Lessor elects to authorize repairs, Lessee hereby authorizes Lessor to proceed with the repairs for which Lessee is liable hereunder at Lessee's expense at any repair facility of Lessor's choice. Lessee will execute any further documents required to authorize the repair facility to proceed and Lessee shall have the right to inspect any repairs so made. The Unit shall remain on-hire and Lessee shall continue to pay the rental charge until the date upon which Lessor and Lessee shall agree in writing upon the amount of the cost of the repairs for which Lessee is liable, and, in the event Lessor in its discretion elects to have such repairs performed, thereafter until the date (not greater than 10 business days thereafter) specified in such writing for completion of such repairs; provided, however, that in the event Lessee fails to authorize repairs for which Lessor claims it is responsible within 10 days of return of any Unit, Lessor, at its option, may either (i) promptly authorize repairs to the Unit whereupon the Unit shall be off-hired and rental charges shall cease upon approval of repair (not greater than 10 business days thereafter) or (ii) continue to make the Unit available for joint inspection with Lessee and to attempt to resolve damage disputes for a reasonable period of time at the expiration of which the Unit shall be off-hired and rental charges shall terminate. All handling expenses for the inspection and reinspection of Units and storage charges from the date of redelivery to the date of off-hire pursuant to the terms hereof shall be for the account of Lessee.

Lessee shall be liable to Lessor for the cost of repairing all damages for which Lessee is liable under this Lease whether or not Lessor elects to have such repairs made but in no event shall Lessee's liability for such damages exceed the depreciated value for a new Unit.

In the event that without obtaining the prior written consent of Lessor, Lessee shall fail to return any Unit for more than 120 days after the return date specified in the Lease, Lessor, without prejudice to any other rights hereunder may, in its sole discretion, elect to treat such Unit as lost, and Lessee shall pay to Lessor the depreciated value of such Unit in accordance with the provisions of the Lease. Lessee shall pay Lessor's standard rental charge for such Unit at the rate prevailing on each day after expiration of the aforesaid 120 days, until the date that payment of such depreciated value is made. In the event that after payment of such depreciated value, Lessor shall elect and obtain repossession, Lessor shall, after deducting Lessor's expenses, return to Lessee such portion of such depreciated value as Lessor, in its sole discretion, shall deem to be the depreciated value that remains of such Unit on the date of repossession.

Should any Unit be redelivered to Lessor, or should Lessor repossess any Unit, and there shall at the time of such redelivery or repossession be in, upon or attached to such Unit any other things of value belonging to Lessee or in the custody or control of Lessee, Lessor is hereby authorized to take possession of such things of value and hold the same for Lessee either in Lessor's possession, or, in the exercise of Lessor's sole discretion, in public storage for the account of, and at the expense of, Lessee.

ARTICLE 10 Indemnity

Lessee shall defend, indemnify and hold Lessor, its agents and employees harmless from all claims, causes of action, liability, damage or loss (including, without limitation, expenses in connection with any claim or suit, such as reasonable attorney's fees, court cost and other expenses) arising directly or indirectly in any manner out of (a) any failure by Lessee to comply with its obligations under this Lease or any attempt by any third party, whether private or governmental, to impose upon Lessor liability for Lessee's acts or omissions, (b) any claim, whether private or governmental, for personal injury or death or for loss or damage to person, property, cargo or vessels or otherwise arising out of or incident to the manufacture, selection, possession, leasing, operation, control, use, storage, loading, unloading, moving, maintenance, delivery, or return of any Unit except if caused by the gross negligence or willful misconduct of Lessor, and (c) any forfeiture, seizure or impounding of, or charge or lien imposed or asserted against any Unit.

ARTICLE 11 Insurance

Lessee shall secure and maintain, at its own expense and with insurance companies acceptable to Lessor, amounts of insurance and types of coverage as shall be reasonably required from time to time by Lessor. Simultaneously with the execution of this Lease, Lessee shall furnish Lessor with certificates of insurance evidencing (a) all risk, loss and damage insurance (including mysterious disappearance/unexplained loss and war risks and strikes, riots and civil commotions risks) while on land, afloat or airborne, in transit or at rest anywhere in the world, in an amount equal to the depreciated value of all Units on lease to the Lessee, (b) comprehensive general liability insurance including contractual liability and broad form property damage for limits of not less than U.S. two million dollars (\$2,000,000), combined single limit, and (c) automobile liability and property damage for limits of not less than U.S. two million dollars (\$2,000,000)

combined single limit. All insurance coverages shall (a) name Lessor as a joint assured, as its interest may appear, (b) include a loss payable clause in favor of Lessor providing that upon Lessor's giving notice to the insurer that Lessee is in default under the Lease, all claims are to be paid to Lessor, and (c) include an undertaking from the insurer that, notwithstanding the expiry or cancellation of such insurance, it shall, insofar as the interest of Lessor is concerned, remain in full force and effect until after the expiry of 30 days written notice of such expiry or cancellation from the insurer to Lessor. If the Lessee shall default in the payment of any premium in respect of any such insurance policies, the Lessor may, but shall not be obliged to, pay such premium, and in such event, Lessee shall repay the amount thereof to the Lessor on demand. Lessee hereby assigns to Lessor all of its present and future right, title and interest in and to all insurance proceeds now or hereafter payable to Lessee with respect to damage or to loss of the Units, including, without limitation, any recovery costs and "sue and labor" expenses, and further hereby appoints Lessor as its attorney-in-fact to take all necessary action at Lessee's expense and in Lessee's name to collect any such proceeds.

ARTICLE 12

Default

If any of the following events shall occur:

Lessee shall fail to pay any sum to be paid hereunder within fifteen days after the same shall become due; (b) Lessee shall fail to observe or perform any other term or condition of this Lease or in any other lease or other agreement between Lessor (or any division or subsidiary thereof) and Lessee in the manner and at the time or times required herein and therein, and any such failure remains unremedied for thirty days after written notice thereof to Lessee by Lessor; (c) Lessee shall become unable to pay its debts generally as they become due, or shall make a general assignment for the benefit of creditors; or any proceedings shall be instituted by or against Lessee seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization or relief to debtors, or seeking appointment of a receiver, trustee or equivalent official for it or for any substantial part of its property or any involuntary proceedings that remain undismitted after 90 days, or Lessee shall take any corporate action authorizing any of the actions set forth above; (d) any distress, execution or other legal process shall be levied upon any of the Units; (e) following a material adverse change in Lessee's financial condition subsequent to the date hereof, either an obligation of the Lessee in excess of U.S. \$1,000,000 for the payment of borrowed money, for the deferred purchase price of property or for the payment of rent shall not be paid when due, the effect of which is to cause such obligation to become due prior to its stated maturity or Lessee shall permit any judgment against it in excess of U.S. \$1,000,000 to remain unsatisfied for more than thirty days, unless covered by Insurance; (f) the seizure or nationalization of Lessee or a material part of Lessee's assets by a government instrumentality; or (g) a default by a guarantor shall occur under the terms of any guarantee agreement between Lessor and any third party guaranteeing the obligations of Lessee hereunder.

Then, in any such case, Lessor, at its option may:

proceed by appropriate court action or actions either at law, admiralty or in equity to enforce performance by Lessee of the terms of this Lease and/or to recover from Lessee any and all damages or expenses, including reasonable attorney's fees, and all costs which Lessor shall have sustained by reason of Lessee's default or on account of Lessor's enforcement of its remedies hereunder and/or

by notice in writing to Lessee terminate Lessee's right to possession of some or all of the Units under this Lease (the "date of termination"), whereupon all rights of Lessee to or in the use of such Units shall absolutely cease, but Lessee shall remain liable as herein provided. Thereupon, Lessee shall notify Lessor immediately of the locations of all Units and Lessor by itself or by its agents without further notice, may, but shall be under no obligation to, retake the Units wherever found and irrespective of whether Lessee, any sublessee or any other entity may be in possession of the Units, all without prior demand and without legal process. For that purpose Lessor or its agents may enter upon any premises where the Units may be and may take possession thereof, without Lessor or its agents incurring any liability by reason of such retaking absent Lessor's gross negligence or willful misconduct, whether for the restoration of damage to property caused by such retaking or otherwise and thenceforth hold, possess and enjoy the Units free from any right of Lessee, or its successors or assigns, to hold, use or sell such Units for any purpose whatsoever, as hereinafter provided. This paragraph shall serve as the express authorization and instruction by Lessee to any depot or other custodian of any Unit hereunder to release the Unit or Units to Lessor or any authorized representative of Lessor, without further inquiry or liability to Lessee for such release, upon delivery to such depot or custodian of a copy of this Lease and a certification by Lessor (which may be made by telex) that Lessee is in default under this Lease and that Lessor is entitled to possession of the Unit(s). The rental charges specified in the Lease shall continue for a period of ten days following notice of termination. Thereafter for each Unit that has not been returned, the Lessee shall be liable for Lessor's then standard per diem rental until the date each Unit is returned to Lessor in accordance with the terms of this Lease. In addition to such rentals, Lessee shall also pay to Lessor,

any other actual damages which Lessor shall have sustained by reason of the breach of any terms of this Lease, plus

as damages for loss of a bargain and not as a penalty, an aggregate sum, which on the date of termination represents either (i) the excess of (x) the balance of total rental for such Unit for the entirety of the lease term, if any, specified with respect thereto (discounted at a per annum discount rate of 8%) from the dates the rentals would have otherwise been paid to the date of termination over (y) the present worth (discounted at 8%) on the date of termination of the fair rental value of such Unit to Lessor for the same period, or (ii) the amount of retroactive rental rate adjustment provided for in the Lease, if any, with respect to an early termination, plus

interest on the above sums at a rate equal to the maximum rate enforceable in accordance with applicable law from the date of termination until paid, plus

reasonable provision for expenses (including reasonable attorney's fees and costs) incurred by Lessor in taking possession of, relocating, overhauling or repairing the Units after repossession thereof as determined by Lessor to be required to place such Units in the location and in a condition required under this Lease.

In addition to the above sums, Lessee shall also remain liable for the depreciated value of each Unit not returned to Lessor within ten days from the notice of termination. Lessee shall in turn be credited with the lesser of the fair market value or the depreciated value of any Unit thereafter recovered, less expenses, as determined by Lessor.

Lessor shall have the option, whether or not it shall then have possession of a Unit, to conclusively establish the present worth of its fair rental value for all purposes by (a) an appraisal by Lessor based upon then current market conditions, costs of repair and relocation, (b) a bona fide lease of the Units which may be made by Lessor free from any and all claims of Lessee, or of any other party claiming by, through or under Lessee at law or in equity or in

admiralty, or (c) a written appraisal by an independent appraiser selected by Lessor. Such appraisal shall also take into account current market conditions and costs of repair and relocation.

Lessor or its agents may sell all or some of the Units at public or private sale, with or without notice to Lessee, advertisement or publication, as Lessor may determine, or otherwise may dispose of, hold, use, operate or lease to others, all on such terms and conditions and at such place or places as Lessor may determine and all free and clear of any rights of Lessee and of any claim of Lessee in admiralty, in equity, at law or by statute, whether for loss or damage or otherwise.

No right or remedy conferred upon or reserved to Lessor by this Lease shall be exclusive of any other right or remedy available to Lessor. Lessee hereby waives any mandatory requirement of law now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. Lessor may, at its election, waive any default and its consequences and rescind and annul any such notice of termination by notice to Lessee in writing to that effect. Notwithstanding the provisions of this Section, it is expressly understood and agreed by Lessee that time is of the essence in this Lease and that no waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any right or remedies of Lessor consequent thereto.

In the event of the occurrence of a Lessee default hereunder, if Lessor shall so elect by notice in writing to Lessee, Lessor may utilize such legal and/or equitable remedies as may be available to it, including, without limitation, replevin, injunction or any other provisional remedy designed to obtain possession of or protect the Units or any items thereof. Lessee hereby specifically waives, to the extent permitted by law, any hearing with respect to any such provisional remedy.

ARTICLE 13 Jurisdiction

Institution of litigation by any party pursuant to any separate arbitration agreement that may be entered into by the parties, shall not prejudice or waive Lessor's right to any of Lessor's remedies otherwise available, including, without limitation, termination, provisional remedies and repossession without judicial process. This Lease shall be deemed to have been made in New York regardless of the order in which the signature of the parties be affixed hereto. Lessee hereby irrevocably submits itself to the personal jurisdiction of the Supreme Court of the State of New York, New York County, of the United States of America, and to the personal jurisdiction of the United States District Courts for the Eastern and Southern Districts of New York (and to the personal jurisdiction of the appropriate appeals courts therefrom), for the purposes of any suit, action or other proceeding arising out of, or relating to this Lease and agrees that all claims in respect of such action or proceeding may be heard and determined in any such court. Process against Lessee may be served upon it by mailing a copy to Lessee (by registered or certified mail, if practicable) postage prepaid, or by telex to Lessee at its principal place of business indicated above or such other address as the Lessor shall have been notified in writing by Lessee. Lessee also designates Corporation Service Company, 375 Hudson Street, New York, New York 10014-2660, agent for the purpose of accepting service of any process within the State of New York, USA with respect to any claim or controversy arising out of or relating to, directly or indirectly, this

Lease. After such agent has accepted such service of process such agent shall send Lessee written notice of such service and a copy of such process by certified or registered mail, return receipt requested. Service may be effected at Lessor's option either by the mailing referred to above or by service upon Corporation Service Company, as agent.

Lessee agrees that its submission to jurisdiction set forth above is made for the express benefit of the Lessor. Lessee further agrees that final judgment against Lessee in any such action or proceeding shall be conclusive, and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law, a certified or true copy of which judgment shall be conclusive evidence of the fact and the amount of any indebtedness or liability of Lessee therein described; provided that nothing herein shall affect the right of Lessee to serve legal process in any other manner permitted by law or affect the right of the Lessor to bring any action or proceeding against Lessee or its property in the courts of any other jurisdiction. Lessee shall pay all costs, including reasonable attorney's fees, incurred by Lessor in enforcing this Lease. No right or remedy herein granted shall be deemed in lieu of any legal or equitable remedy otherwise available.

ARTICLE 14
Immunity from Jurisdiction

To the extent Lessee has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process, Lessee hereby waives such immunity and agrees not to assert, by way of motion, as a defense, or otherwise, in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of the above-named courts, that it is immune from any legal process (whether through service or notice, attachment or arrest prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper, or that this Lease may not be enforced in or by such courts.

ARTICLE 15
Lessor's Liability

Lessor shall not be liable to Lessee or any other person for any failure or delay in the performance of any obligation due to events beyond its reasonable control, including, but not limited to, fire, storm, flood, earthquake, explosion, accidents, acts of the public enemy, sabotage, riots, civil disorder, strikes, lockouts, labor disputes, labor shortage, work stoppages, transportation embargoes or delays, failure or shortage of materials, supplies or equipment, failure of suppliers to deliver as requested, failure of repair facilities to finish repairs, acts of God, and acts or regulations or priorities of any government or its branches or agencies. Under no circumstances shall Lessor be liable and Lessee hereby waives any claim against Lessor for any lost profits or for special, consequential or exemplary damages, including, without limitation, damages to cargo, even if Lessor has been advised of the possibility of such damage.

ARTICLE 16
Financial Statements

Within sixty (60) days after the close of each of the first three quarters of Lessee's fiscal year, Lessee shall deliver to Lessor a copy of Lessee's and any guarantor's balance sheet,

statement of profit and loss and statement of changes in financial position for such quarter. Within 90 days after the close of Lessee's fiscal year, Lessee shall deliver to Lessor an audited balance sheet, statement of income and retained earnings, and statement of changes in financial position of Lessee and any guarantor as of the close of such fiscal year.

ARTICLE 17
General

This Lease is binding upon the parties and their respective successors and assigns. All matters relating to the construction, validity or enforceability of this Lease shall in all respects be governed by and construed in accordance with laws of the State of New York. This Lease contains the entire agreement between the parties with respect to the subject matter hereof and may not, subject to the provisions of Article 1 of this Lease, be amended, altered, modified or added to except by a writing signed by the party to be bound thereby. Lessor may assign all or any part of its obligations, right, title or interest in this Lease, including all rental charges due or to become due, provided, however, such assignment shall not affect Lessor's obligation to provide Lessee quiet possession and enjoyment of the units as provided in Article 3 hereof. Lessee hereby expressly consents to the application by Lessor of any payment credit to which it may be entitled hereunder (and any other funds belonging to or payable to Lessee in the custody of Lessor) toward payment obligations of Lessee hereunder or under any other agreement between Lessor and Lessee. The paragraph headings in these conditions are for convenience only and shall not be deemed to alter or affect any provision hereof.

Any notice required to be given under this Lease shall be effective upon dispatch to the party to whom such notice is directed at the address first above written, or at such other address as may have been communicated in writing unless otherwise specified herein to the other party or parties to this Lease in accordance with the provisions of this paragraph. All notices required to be given in writing shall be given either by hand delivery, by mail or by telex. Such mail shall in all cases be registered or certified mail. In the event that any of the terms and conditions of this Lease are not completed by insertion of the necessary words and/or figures, the parties agree to adopt Lessor's standard terms and conditions for comparable equipment, prevailing on the date on which Lessee executed the Lease, including, without limitation, rental charges, penalties for improper return and replacement values. Where there are two or more parties to the Lease as Lessee their liabilities under this Lease shall be joint and several. The provisions of this Lease are separable and any provisions found upon judicial interpretation or construction to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof. No waiver of any remedy or other right under this Lease shall operate as a waiver of any other remedy or right, nor shall any single or partial exercise of any remedy or right preclude any other or further exercise thereof or of any other remedy or right.

(LESSEE):

BY: _____

(name and title of signing officer)

(date)

INTERPOOL CONTAINERS LIMITED:

BY: _____

(name and title of signing officer)

(date)

**EXHIBIT A-2 TO THE
MANAGEMENT AGREEMENT
AMONG
P&R EQUIPMENT AND FINANCE CORP,
CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, AND
INTERPOOL CONTAINERS LIMITED**

FINANCE LEASE—INTERPOOL CONTAINERS LIMITED

CAI - INTERPOOL, LLC

LEASE PURCHASE AGREEMENT

This Lease Purchase Agreement ("Agreement" or "Lease") is made this __ day of July, 2005 between **CAI-Interpool, LLC**, a Delaware limited liability company, with offices located at 550 Kearny Street, Suite 950, San Francisco, CA 94108, United States as "Lessor", and **LESSEE NAME**, a company incorporated under the laws of _____, with its principal place of business is located at _____ as "Lessee".

Lessor and Lessee acknowledge and agree that all terms and conditions of that certain Membership and Equipment Leasing Agreement dated _____ between Interpool Limited and Lessee (the "MELA") shall be and hereby are incorporated herein by reference and shall be deemed to be included as if fully set forth herein, with references to the "Lessor" therein deemed to refer to CAI-Interpool, LLC, and references to "Lessee" therein deemed to refer to **LESSEE NAME**. In the event of a conflict between the terms and conditions of this Agreement and the MELA, the terms and conditions of this Agreement shall prevail.

Lessor and Lessee expressly understand and agree that upon the execution hereof, Lessor will simultaneously assign all of Lessor's right, title and interest in and to this Agreement, specifically including but not limited to all terms and conditions of the MELA incorporated by reference thereto, to Interpool Containers Limited, a Barbados corporation, and Interpool Containers Limited will assume all of Lessor's obligations hereunder.

Account #1234

QUANTITY AND TYPE:

This Agreement covers the lease purchase of ___ x 20' x 8' x 8'6" and ___ x 40' x 8' x 9'6" new dry van containers, ordered to be built by _____ in accordance with Lessor's specifications: _____ (per 20') and _____ (per 40'HC), both dated August, 2004.

The Containers shall be supplied with Lessee's logos, and with serial numbers in the ranges of:

20' - ABCD 123456 to ABCD 123456, and

40' - ABCD 123456 to ABCD 123456

(each a "Container" and collectively the "Containers").

DELIVERY TERMS:

Delivery shall be effected free on truck to Lessee's designated depot in _____.

Lessor shall use commercially reasonable efforts to deliver the Containers from _____ through _____ 2006.

The period commencing on the date the first Container is delivered through the end of the month of the date that the last Container is delivered is hereinafter referred to as the "Build-up-Period".

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The period commencing on the first day of the month immediately following the month in which the Build-up-Period ended, through and including the expiration of the Rental Term (as defined below) of the last Container delivered hereunder, is hereinafter referred to as the "Locked-in-Period".

DURATION OF LEASE:

Each Container shall go on hire hereunder on the date it is delivered to Lessee. Rental Charges (as defined below) for each Container shall commence on the first calendar day of the month following the month in which the Container was delivered to Lessee, and shall continue for a period of the next __ years (the "Rental Term") and shall be payable in __ (##) monthly instalments in accordance with the terms and conditions of Section 5, below.

PER DIEM:

The daily rental charges shall be:

U.S. \$ _____ per 20' x 8' x 8'6" Container, and

U.S. \$ _____ per 40' x 8' x 9'6" Container

(collectively, the "Rental Charges").

PAYMENT TERMS:

During the Build-up-Period the Rental Charges shall be payable against Lessor's monthly invoices 30 days from invoice date.

During the Locked-in-Period the Rental Charges shall be payable against Lessor's invoice on the first calendar day of each month in an amount equal to the Rental Charges to become due for such month (i.e. monthly in advance).

In the case of late payment, an interest charge of the lesser of 1.5% per month or the maximum amount permitted by applicable law will be applied to the amount of such late payment until such payment is made.

LOSS AND TOTAL CONSTRUCTIVE LOSS:

If any Container shall become lost, stolen, destroyed, damaged beyond repair or rendered permanently unfit for use for any reason, or in the event of any condemnation, confiscation, theft or seizure or requisition of title to or use of any Container (a "Lost Container" and each of the foregoing events, an "Event of Loss"), Lessee shall promptly notify Lessor of such Event of Loss and promptly pay to Lessor an amount equal to the Stipulated Loss Value ("SLV") of such Container. (For purposes hereof, a Container's SLV shall be equal to the present value of the remaining Rental Charges, plus the U.S. \$ _____ purchase option price due with respect to the Lost Container, measured from the date of the Event of Loss through the end of the Rental Term, calculated by Lessor using a discount rate of five percent (5%) per annum).

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Notwithstanding any such Event of Loss, Lessee's obligation to pay Rental Charges and other Lease charges with respect to the Lost Container shall continue until Lessor receives payment of the SLV for such Container (as well as payment of all Rental Charges and other Lease charges then due and outstanding with respect to such Container).

It is understood and agreed that any SLV payment relates to actual Events of Loss and do not and shall not be deemed to confer upon Lessee a purchase option in the Containers or any of them.

PURCHASE OPTION:

Provided Lessee is not in default hereunder or under any other lease or other agreement with Lessor or any affiliate of Lessor and upon payment of all outstanding Rental Charges and other charges owed to Lessor, at the expiration of the Rental Term, Lessee has the option to purchase the Containers at a purchase price of U.S. \$ 1.00 per Container.

In the event the purchase option is properly exercised, Lessor shall pass title for the Containers to the Lessee upon receipt of payment of the purchase price.

ASSIGNMENT:

Lessor (and any assignee or subsequent assignee of Lessor) has the right, without the consent of Lessee, to assign this Lease in whole or in part to any third party, including without limitation, to Lessor's lender in connection with a financing transaction relating to the Containers. Without diminishing the foregoing, Lessee shall fully cooperate with Lessor (and any assignee or subsequent assignee of Lessor) and do whatever Lessor (or any such assignee) may require of Lessee to effect any such assignment or subsequent assignment.

SECURITY INTEREST:

It is further acknowledged and agreed that this Lease is a true lease and that the relationship of the parties is that of lessor and lessee. Accordingly, the Lessor shall at all times remain the sole owner of the Containers.

Notwithstanding the foregoing, Lessee hereby grants to Lessor and Lessor hereby reserves to itself a security interest in and to the Containers as security for the full and complete payment and performance of all of Lessee's obligations hereunder. In addition to or in conjunction with, the rights and remedies available to Lessor hereunder, Lessor shall have all the rights and remedies provided to a secured party under the Uniform Commercial Code in force in the State of New York.

Lessee agrees to take whatever action and to do whatever things Lessor may reasonably request to assist Lessor in perfecting its security interest granted hereunder, including, without limitation, executing financing statements, and Lessee hereby appoints each of Lessor's officers as Lessee's lawful attorney-in-fact to do, at Lessor's option, all actions and things which the Lessor may deem necessary or desirable to effectuate its rights hereunder, including, without limitation, executing and filing financing statements in Lessee's name and on Lessee's behalf and otherwise perfecting any security interest granted hereby.

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CROSS-DEFAULT:

A breach or default by Lessee of this Lease shall constitute a breach or default by Lessee of all other leases and other agreements between Lessee and Lessor or any affiliate of Lessor, and a breach or default by Lessee of any other lease or other agreement between Lessee and Lessor or any affiliate of Lessor, shall constitute a breach or default by Lessee of this Lease.

FORCE MAJEURE:

Lessor shall not be liable to Lessee or any other person for any failure or delay in the performance of any obligation due to events beyond its reasonable control, including but not limited to, fire, storm, flood, earthquake, explosion, accidents, acts of public enemy, sabotage, riots, civil disorder, strikes, lockouts, labor disputes, labor shortage, work stoppages, transportation embargoes or delays, failure or shortage of materials or of supplies or production of equipment, failure of suppliers to deliver as requested, failure of repair facilities to finish repairs, acts of God and acts or regulations or priorities of any Government or its branches or agencies.

DOCUMENTATION:

This Lease Agreement may be executed in two counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

The parties hereto agree that to the extent this Lease constitutes "chattel paper" under the laws of the State of New York, then only that counterpart of the Lease designated as "FIRST ORIGINAL" or that is otherwise in the possession of the Lessor can transfer the Lessor's rights in the Lease. All other counterparts of this Lease shall be designated as "SECOND ORIGINAL".

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IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED IN THEIR RESPECTIVE NAMES BY THEIR DULY AUTHORISED OFFICERS.

LESSEE NAME

CAI-INTERPOOL, LLC

Signature

Signature

Name

Name

Title

Title

Date

Date

**EXHIBIT A-3A TO THE
MANAGEMENT AGREEMENT
AMONG
P&R EQUIPMENT AND FINANCE CORP,
CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, AND
INTERPOOL CONTAINERS LIMITED**

OPERATING LEASE—INTERPOOL CONTAINERS LIMITED

CAI - INTERPOOL, LLC

CONTAINER LEASING AGREEMENT

This Container Leasing Agreement ("Agreement" or "Lease") is made this __ day of _____, 2006 between **CAI-Interpool, LLC**, a Delaware limited liability company, with offices located at One Embarcadero Center, Suite 2101, San Francisco, CA 94111, United States as "Lessor", and _____, a company incorporated under the laws of _____, with its principal place of business located at _____ hereinafter referred to, as "Lessee".

Lessor and Lessee acknowledge and agree that all terms and conditions of that certain Membership and Equipment Leasing Agreement dated _____ between Interpool Containers Limited, as Lessor, and _____ hereinafter referred to as "Lessee", (the "MELA") shall be and hereby are incorporated herein by reference and shall be deemed to be included as if fully set forth herein, with references to the "Lessor" therein deemed to refer to CAI-Interpool, LLC, and references to "Lessee" therein deemed to refer to _____. In the event of a conflict between the terms and conditions of this Agreement and the MELA, the terms and conditions of this Agreement shall prevail.

Lessor and Lessee expressly understand and agree that upon the execution hereof, Lessor will simultaneously assign all of Lessor's right, title and interest in and to this Agreement, specifically including but not limited to all terms and conditions of the MELA incorporated by reference thereto, to Interpool Containers Limited, a Barbados corporation, and Interpool Containers Limited will assume all of Lessor's obligations hereunder.

Account # _____

QUANTITY AND TYPE:

This Agreement covers the lease of _____ x 20' x 8' x 8'6" dry van containers, newly manufactured by _____, with full corten steel in accordance with Lessor's specification _____, dated _____.

The Containers shall be supplied with serial numbers in the range of IPXU _____ through IPXU _____, (each a "Container" and collectively the "Containers").

PRODUCTION AND DELIVERY TERMS:

The Containers shall be delivered free-on-truck to Lessee's designated depot in _____. Lessor shall use commercially reasonable efforts to deliver the Containers commencing from _____ through _____.

The period commencing on the date the first Container is delivered through the end of the month that the last Container is delivered is hereinafter referred to as the "Build-up-Period".

CAI - INTERPOOL, LLC

DURATION OF LEASE:

Each Container shall go on hire hereunder and Rental Charges (as defined below) shall commence on the date the Container is delivered to Lessee. The Containers shall remain on-hire for a period of _____() years from the first day of the month immediately following the month in which the Build-up-Period ended (said _____year period shall be referred to hereinafter as the "Locked-in-Period").

PER DIEM:

The daily rental charges shall be U.S. \$ _____ per Container (the "Rental Charges").

PAYMENT TERMS:

During the Build-up-Period and the Build-down-Period (described in Section 8 below), the Rental Charges shall be payable against Lessor's monthly invoice 30 days from invoice date.

During the Locked-in-Period the Rental Charges shall be payable against Lessor's invoice on the first calendar day of each month in an amount equal to the Rental Charges to become due for such month (i.e. monthly in advance).

In the case of late payment, an interest charge of the lesser of 1.5% per month or the maximum amount permitted by applicable law will be applied to the amount of such late payment until such payment is made.

LOSS AND TOTAL CONSTRUCTIVE LOSS:

In the event that any Container is lost, or deemed in the reasonable opinion of the Lessee to be a total constructive loss, the Rental Charges for such Container shall cease to accrue on the date on which Lessee declares such loss provided that Lessee furnishes Lessor within 30 days from such date with:

Written notice of such loss (and in the case of total constructive loss, should Lessor so request, access to the applicable Containers in order for Lessor (or its designee) to perform an inspection thereof)

AND

Payment of the depreciated replacement value of the Container(s). Said depreciated replacement value shall be calculated by Lessor with a depreciation rate of 5% per annum from the date of manufacture based on a base replacement value of U.S. _____ per Container. Notwithstanding anything to the contrary herein, the minimum depreciated replacement value shall never be less than 40% of the base replacement value.

The provisions of this clause are granted solely to resolve actual incidents of damage or loss and nothing contained herein shall be deemed as giving the Lessee a purchase option in the Containers. Title at all times remains with the Lessor unless specifically waived in writing.

CAI - INTERPOOL, LLC

EXPIRY OF LEASE TERM:

Upon expiry of the Locked-in-Period (unless the term of this lease is otherwise extended), all Containers leased hereunder shall be redelivered to Lessor during the immediately succeeding ____ () month period (the "Build-down-Period". During such period, Lessee shall continue to pay to Lessor the Rental Charges for each Container until such Container is redelivered to Lessor in accordance with the terms of this Agreement.

For any Container that remains on-hire after the expiration of the Build-down-Period, Lessee shall continue to pay Rental Charges as set forth in Section 4 above unless a new rental rate has been mutually agreed upon in writing by Lessee and Lessor, and shall continue to be billed on a monthly basis as set forth in Section 5 above.

OFF-HIRE LOCATIONS AND CONDITIONS:

The Lessee shall maintain at its own expense all the Containers in good condition and repair in accordance with the prevailing IICL regulations. Upon termination of this Agreement, the Containers covered herein shall be redelivered to Lessor's designated open depot locations and in maximum monthly quantities per location as specified in the Redelivery Schedule attached hereto as "Exhibit A".

Lessee shall be responsible for all cost and expense relating to the removal of all Lessee's markings and logos.

Lift-off charges upon redelivery to Lessor shall be at U.S. \$____ per Container and shall be billed centrally to Lessee.

No drop-off charges shall apply.

Containers redelivered by Lessee in damaged condition or not meeting the then current IICL standard condition (normal wear and tear, latent and patent defects excepted) will be off hired on the date of actual redelivery. Lessor shall submit repair estimates to Lessee's local agent or representative within seven (7) working days from Lessor's receipt of the same. If, however, Lessee fails to authorize repairs within seven (7) working days after receipt of repair estimates, the Containers will be put back on hire retroactively until such time that Lessee authorizes such repairs. In case of a dispute on damages, both parties are entitled to demand a joint survey, and if no agreement can be reached, the damage estimate of a jointly appointed neutral surveyor will be binding on both parties.

The repair estimate for a Container will be for the cost of repairing damages so as to bring the Container to the then current IICL standard for Containers of similar age and type and will exclude normal wear and tear and latent and patent defects. Normal wear and tear is defined as the inevitable deterioration of a Container that occurs through normal use in the industry pattern. Inherent in this definition is that normal wear and tear may affect the cosmetic appearance of the Container or by accumulation or degree may eventually affect the integrity of the Container. In addition, normal wear and tear includes the following items: corrosion of metal components not due to contact with foreign substances, delamination or rot of wooden components arising out of normal use, color fading or adhesion failure of decals, general paint failure or fading not due to contamination, general deterioration of door gaskets and fittings, minor scratches as per IICL current standards.

ASSIGNMENT:

Lessor (and any assignee or subsequent assignee of Lessor) has the right, without the consent of Lessee, to assign this Lease in whole or in part to any third party, including without limitation, to Lessor's lender in connection with a financing transaction relating to the Containers. Without diminishing the foregoing, Lessee shall fully cooperate with Lessor (and any assignee or subsequent assignee of Lessor) and do whatever Lessor (or any such assignee) may require of Lessee to effect any such assignment or subsequent assignment.

CROSS-DEFAULT:

A breach or default by Lessee of this Lease shall constitute a breach or default by Lessee of all other leases and other agreements between Lessee and Lessor or any affiliate of Lessor, and a breach or default by Lessee of any other lease or other agreement between Lessee and Lessor or any affiliate of Lessor, shall constitute a breach or default by Lessee of this Lease.

FORCE MAJEURE:

Lessor shall not be liable to Lessee or any other person for any failure or delay in the performance of any obligation due to events beyond its reasonable control, including but not limited to, fire, storm, flood, earthquake, explosion, accidents, acts of public enemy, sabotage, riots, civil disorder, strikes, lockouts, labor disputes, labor shortage, work stoppages, transportation embargoes or delays, failure or shortage of materials or of supplies or production of equipment, failure of suppliers to deliver as requested, failure of repair facilities to finish repairs, acts of God and acts or regulations or priorities of any government or its branches or agencies.

DOCUMENTATION:

This Lease Agreement may be executed in two counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

The parties hereto agree that to the extent this Lease constitutes "chattel paper" under the laws of the State of New York, then only that counterpart of the Lease designated as "FIRST ORIGINAL" or that is otherwise in the possession of the Lessor can transfer the Lessor's rights in the Lease. All other counterparts of this Lease shall be designated as "SECOND ORIGINAL".

CAI - INTERPOOL, LLC

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED IN THEIR RESPECTIVE NAMES BY THEIR DULY AUTHORISED OFFICERS.

(Lessee)

Signature

Name

Title

Date

CAI-INTERPOOL, LLC
(Lessor)

Signature

Name

Title

Date

CAI - INTERPOOL, LLC

**EXHIBIT A
REDELIVERY SCHEDULE**

**TO THE
CONTAINER LEASING AGREEMENT
DATED AS OF _____ BETWEEN
CAI - INTERPOOL, LLC**

**AND
_____ hereinafter referred to, as "Lessee"**

Maximum Monthly Redelivery Limit

ASIA-PACIFIC

BANGKOK

—

DALIAN

—

HONG KONG

—

SHANGHAI

—

SINGAPORE

—

TIANJIN

—

XIAMEN

—

A. In addition to the above locations, Lessor will consider opening other locations as per Lessee's request at the time of termination, however, any decision to do so shall be at the sole discretion of the Lessor.

B. Lessor will not make any changes to the Redelivery Schedule set forth above without the prior consent of the Lessee.

**EXHIBIT A-3B TO THE
MANAGEMENT AGREEMENT
AMONG
P&R EQUIPMENT AND FINANCE CORP,
CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, AND
INTERPOOL CONTAINERS LIMITED**

OPERATING LEASE - INTERPOOL CONTAINERS LIMITED
(Includes Early Termination Option)

CAI - INTERPOOL, LLC

CONTAINER LEASING AGREEMENT

This Container Leasing Agreement ("Agreement" or "Lease") is made this __ day of _____, 2006 between **CAI-Interpool, LLC**, a Delaware limited liability company, with offices located at One Embarcadero Center, Suite 2101, San Francisco, CA 94111, United States as "Lessor", and _____, a company incorporated under the laws of _____, with its principal place of business located at _____ hereinafter referred to, as "Lessee".

Lessor and Lessee acknowledge and agree that all terms and conditions of that certain Membership and Equipment Leasing Agreement dated _____ between Interpool Containers Limited, as Lessor, and hereinafter referred to as "Lessee", (the "MELA") shall be and hereby are incorporated herein by reference and shall be deemed to be included as if fully set forth herein, with references to the "Lessor" therein deemed to refer to CAI-Interpool, LLC, and references to "Lessee" therein deemed to refer to _____. In the event of a conflict between the terms and conditions of this Agreement and the MELA, the terms and conditions of this Agreement shall prevail.

Lessor and Lessee expressly understand and agree that upon the execution hereof, Lessor will simultaneously assign all of Lessor's right, title and interest in and to this Agreement, specifically including but not limited to all terms and conditions of the MELA incorporated by reference thereto, to Interpool Containers Limited, a Barbados corporation, and Interpool Containers Limited will assume all of Lessor's obligations hereunder.

Account # _____

QUANTITY AND TYPE:

This Agreement covers the lease of _____ x 20' x 8' x 8'6" dry van containers, newly manufactured by _____, with full corten steel in accordance with Lessor's specification _____, dated _____.

The Containers shall be supplied with serial numbers in the range of IPXU _____ through IPXU _____,

(each a "Container" and collectively the "Containers").

PRODUCTION AND DELIVERY TERMS:

The Containers shall be delivered free-on-truck to Lessee's designated depot in _____. Lessor shall use commercially reasonable efforts to deliver the Containers commencing from _____ through _____.

The period commencing on the date the first Container is delivered through the end of the month that the last Container is delivered is hereinafter referred to as the "Build-up-Period".

CAI - INTERPOOL, LLC

DURATION OF LEASE:

Each Container shall go on hire hereunder and Rental Charges (as defined below) shall commence on the date the Container is delivered to Lessee. Subject to the Early Termination Option per Section 6 below, the Containers shall remain on-hire for a period of ____ () years from the first day of the month immediately following the month in which the Build-up-Period ended (said ____ year period shall be referred to hereinafter as the “Locked-in-Period”).

PER DIEM:

The daily rental charges shall be U.S. \$ _____ per Container (the “Rental Charges”).

PAYMENT TERMS:

During the Build-up-Period and the Build-down-Period (described in Section 8 below), the Rental Charges shall be payable against Lessor’s monthly invoice 30 days from invoice date.

During the Locked-in-Period the Rental Charges shall be payable against Lessor’s invoice on the first calendar day of each month in an amount equal to the Rental Charges to become due for such month (i.e. monthly in advance).

In the case of late payment, an interest charge of the lesser of 1.5% per month or the maximum amount permitted by applicable law will be applied to the amount of such late payment until such payment is made.

EARLY TERMINATION OPTION:

Subject to the terms in this Agreement, Lessee shall have the option to terminate this Agreement with respect to not less than all of the Containers on either the first, second, third, or fourth anniversary of the commencement date of the Locked-in-Period, by declaring such intent in writing to Lessor at least 60 days prior to such anniversary date.

In the event of an early termination as described above, Lessee will pay a lump sum rental payment (in addition to the applicable Rental Charges (as per Section 4 above) that previously accrued hereunder) for each Container subject to early termination. Such charge will equal the difference between the Rental Charges and, as applicable, the one, two, three, or four year per diem rate (as set forth below), (the “Early Termination Rental Charges”), for the period from the date of early termination through the end of the five year term.

<u>Early Termination at:</u>	<u>Early Termination Rental Charges:</u>
4 year anniversary	U.S. \$ _____ per Container
3 year anniversary	U.S. \$ _____ per Container
2 year anniversary	U.S. \$ _____ per Container
1 year anniversary	U.S. \$ _____ per Container

LOSS AND TOTAL CONSTRUCTIVE LOSS:

In the event that any Container is lost, or deemed in the reasonable opinion of the Lessee to be a total constructive loss, the Rental Charges for such Container shall cease to accrue on the date on which Lessee declares such loss provided that Lessee furnishes Lessor within 30 days from such date with:

CAI - INTERPOOL, LLC

Written notice of such loss (and in the case of total constructive loss, should Lessor so request, access to the applicable Containers in order for Lessor (or its designee) to perform an inspection thereof)

AND

Payment of the depreciated replacement value of the Container(s). Said depreciated replacement value shall be calculated by Lessor with a depreciation rate of 5% per annum from the date of manufacture based on a base replacement value of U.S. ____ per Container. Notwithstanding anything to the contrary herein, the minimum depreciated replacement value shall never be less than 40% of the base replacement value.

The provisions of this clause are granted solely to resolve actual incidents of damage or loss and nothing contained herein shall be deemed as giving the Lessee a purchase option in the Containers. Title at all times remains with the Lessor unless specifically waived in writing.

EXPIRY OF LEASE TERM:

Upon expiry of the Locked-in-Period (unless the term of this lease is otherwise extended) or in the event that Lessee exercises the Early Termination Option, all Containers leased hereunder shall be redelivered to Lessor during the immediately succeeding ____ (__) month period (the "Build-down-Period" or the "Early Termination Build-down-Period", as applicable). During such period, Lessee shall continue to pay to Lessor the Rental Charges (or Early Termination Rental Charges, as applicable) for each Container until such Container is redelivered to Lessor in accordance with the terms of this Agreement.

For any Container that remains on-hire after the expiration of the Build-down-Period, Lessee shall continue to pay Rental Charges as set forth in Section 4 above (or Early Termination Rental Charges per Section 6, as applicable) unless a new rental rate has been mutually agreed upon in writing by Lessee and Lessor, and shall continue to be billed on a monthly basis as set forth in Section 5 above.

OFF-HIRE LOCATIONS AND CONDITIONS:

The Lessee shall maintain at its own expense all the Containers in good condition and repair in accordance with the prevailing IICL regulations. Upon termination of this Agreement, the Containers covered herein shall be redelivered to Lessor's designated open depot locations and in maximum monthly quantities per location as specified in the Redelivery Schedule attached hereto as "Exhibit A".

Lessee shall be responsible for all cost and expense relating to the removal of all Lessee's markings and logos.

Lift-off charges upon redelivery to Lessor shall be at U.S. \$ ____ per Container and shall be billed centrally to Lessee.

CAI - INTERPOOL, LLC

No drop-off charges shall apply.

Containers redelivered by Lessee in damaged condition or not meeting the then current IICL standard condition (normal wear and tear, latent and patent defects excepted) will be off hired on the date of actual redelivery. Lessor shall submit repair estimates to Lessee's local agent or representative within seven (7) working days from Lessor's receipt of the same. If, however, Lessee fails to authorize repairs within seven (7) working days after receipt of repair estimates, the Containers will be put back on hire retroactively until such time that Lessee authorizes such repairs. In case of a dispute on damages, both parties are entitled to demand a joint survey, and if no agreement can be reached, the damage estimate of a jointly appointed neutral surveyor will be binding on both parties.

The repair estimate for a Container will be for the cost of repairing damages so as to bring the Container to the then current IICL standard for Containers of similar age and type and will exclude normal wear and tear and latent and patent defects. Normal wear and tear is defined as the inevitable deterioration of a Container that occurs through normal use in the industry pattern. Inherent in this definition is that normal wear and deterioration may affect the cosmetic appearance of the Container or by accumulation or degree may eventually affect the integrity of the Container. In addition, normal wear and tear includes the following items: corrosion of metal components not due to contact with foreign substances, delamination or rot of wooden components arising out of normal use, color fading or adhesion failure of decals, general paint failure or fading not due to contamination, general deterioration of door gaskets and fittings, minor scratches as per IICL current standards.

ASSIGNMENT:

Lessor (and any assignee or subsequent assignee of Lessor) has the right, without the consent of Lessee, to assign this Lease in whole or in part to any third party, including without limitation, to Lessor's lender in connection with a financing transaction relating to the Containers. Without diminishing the foregoing, Lessee shall fully cooperate with Lessor (and any assignee or subsequent assignee of Lessor) and do whatever Lessor (or any such assignee) may require of Lessee to effect any such assignment or subsequent assignment.

CROSS-DEFAULT:

A breach or default by Lessee of this Lease shall constitute a breach or default by Lessee of all other leases and other agreements between Lessee and Lessor or any affiliate of Lessor, and a breach or default by Lessee of any other lease or other agreement between Lessee and Lessor or any affiliate of Lessor, shall constitute a breach or default by Lessee of this Lease.

FORCE MAJEURE:

Lessor shall not be liable to Lessee or any other person for any failure or delay in the performance of any obligation due to events beyond its reasonable control, including but not limited to, fire, storm, flood, earthquake, explosion, accidents, acts of public enemy, sabotage, riots, civil disorder, strikes, lockouts, labor disputes, labor shortage, work stoppages, transportation embargoes or delays, failure or shortage of materials or of supplies

CAI - INTERPOOL, LLC

or production of equipment, failure of suppliers to deliver as requested, failure of repair facilities to finish repairs, acts of God and acts or regulations or priorities of any government or its branches or agencies.

DOCUMENTATION:

This Lease Agreement may be executed in two counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

The parties hereto agree that to the extent this Lease constitutes "chattel paper" under the laws of the State of New York, then only that counterpart of the Lease designated as "FIRST ORIGINAL" or that is otherwise in the possession of the Lessor can transfer the Lessor's rights in the Lease. All other counterparts of this Lease shall be designated as "SECOND ORIGINAL".

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED IN THEIR RESPECTIVE NAMES BY THEIR DULY AUTHORISED OFFICERS.

(Lessee)

Signature

Name

Title

Date

CAI-INTERPOOL, LLC
(Lessor)

Signature

Name

Title

Date

CAI - INTERPOOL, LLC

**EXHIBIT A
REDELIVERY SCHEDULE**

**TO THE
CONTAINER LEASING AGREEMENT
DATED AS OF _____ BETWEEN
CAI - INTERPOOL, LLC
AND**

_____ hereinafter referred to, as "Lessee"

Maximum Monthly Redelivery Limit

ASIA-PACIFIC

BANGKOK	—
DALIAN	—
HONG KONG	—
SHANGHAI	—
SINGAPORE	—
TIANJIN	—
XIAMEN	—

A In addition to the above locations, Lessor will consider opening other locations as per Lessee's request at the time of termination, however, any decision to do so shall be at the sole discretion of the Lessor.

B Lessor will not make any changes to the Redelivery Schedule set forth above without the prior consent of the Lessee.

**EXHIBIT A-4 TO THE
MANAGEMENT AGREEMENT
AMONG
P&R EQUIPMENT AND FINANCE CORP,
CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, AND
INTERPOOL CONTAINERS LIMITED**

MASTER EQUIPMENT LEASE AGREEMENT—CAI



Container Applications International, Inc.
550 Kearny Street, Suite 950
San Francisco, CA 94108
Tel: (415) 788-0100 • Fax: (415) 788-3430

CONTAINER APPLICATIONS INTERNATIONAL, INC.

MASTER LEASE AGREEMENT

(CONTRACT NUMBER : _____-_____))

This is a Master Lease Agreement dated _____ between _____ (“Lessee”) and Container Applications International, Inc., 550 Kearny Street, Suite 950, San Francisco, CA 94108, U.S.A. (“Lessor”).

SCOPE OF AGREEMENT

This Agreement covers the leasing of Lessor 20’ x 8’ x 8’6” and 40’ x 8’ x 8’6” steel dry freight containers, 40’ x 8’ x 9’6” steel high cube containers, 20’ x 8’ x 8’6” and 40’ x 8’ x 8’6” steel open top containers, and 40’ x 8’ x 8’6” steel flat rack containers which conform to the standards set forth by ISO, TIR, CSC, and TCT (hereinafter referred to individually and collectively as “containers”), on the terms and conditions set forth below.

TERM

This Agreement shall be effective as of _____, and shall continue for a minimum term of twelve months. Thereafter, this Agreement shall be deemed automatically extended until such time as either party gives the other party at least 60 days prior written notice of its intention to terminate this Agreement.

CONTAINER SUPPLY PROVISIONS

Commencing _____ and continuing through the term of this Agreement, Lessor agrees to lease containers to Lessee on an as available basis at any Lessor depot or manufacturer’s location.

Execution by Lessor or its agent and Lessee or Lessee’s agent of Lessor’s Equipment Condition Reports with respect to each container leased hereunder shall constitute conclusive proof of delivery of such containers to Lessee, of redelivery of such containers to Lessor, and of the physical condition of the containers at the time of each such interchange.

CONTAINER REDELIVERY PROVISIONS

No container leased hereunder may be redelivered until it has been on lease for 30 days. Thereafter, Lessor agrees to accept redelivery of containers from Lessee at the Lessor depots with the monthly quantity limitations and with the drop-off charges shown in Exhibit B attached hereto.

The monthly redelivery limits set forth in Exhibit B cannot be accumulated from month to month. Containers may be redelivered to depot locations or in numbers other

than those shown in Exhibit B, provided that such locations, quantities and applicable drop-off charges are mutually agreed upon in writing by Lessor and Lessee before redelivery of any such containers.

Exhibit B is subject to amendment by Lessor with 60 days prior written notice to Lessee.

RENTAL CHARGES

During the term of this Agreement, Lessee shall pay to Lessor a daily rental charge in US dollars for each container leased hereunder as follows:

Equipment <u>Type</u>	Daily Rental <u>Charge</u>
20' dry van containers	US\$ _____
40' dry van containers	_____
40' high cube containers	_____
20' open top containers	_____
40' open top containers	_____
40' flat rack containers	_____

Lessee agrees to pay a minimum of 30 days rental charges for each container. Free days, if any, shall be included in calculating the number of days on lease.

HANDLING CHARGES I DIRECT INTERCHANGES

Lessee shall pay Lessor a handling-out charge and a handling-in charge of US\$_____ for each 20' container and US\$_____ for each 40' container covered under the terms of this Agreement. Such charges shall be invoiced by Lessor directly to Lessee in accordance with Section 8, and are intended to cover the cost of standard lift-on or lift-off a track, container inspection, and preparation of an Equipment Condition Report. Any additional costs assessed for lifting the containers on or off any conveyance other than truck, including, but not limited to, barge or rail, will be for the account of Lessee.

Lessor agrees that Lessee may directly interchange Lessor containers to or from another Lessor lessee, provided Lessee obtains prior written approval from Lessor. Upon receiving such approval, Lessee shall pay Lessor a direct interchange fee of US\$_____ for each container directly interchanged to Lessee and US\$_____ for each container directly interchanged from Lessee to another approved Lessor lessee.

LEASING PROCEDURE

The terms and conditions set forth on Exhibit A are hereby incorporated into this Agreement and shall apply to all containers leased under this Agreement. In the event of any conflict between the terms set forth in Exhibit A and the terms of this Agreement, the latter shall prevail.

INVOICING PROCEDURE

Charges for all containers leased by Lessee under this Agreement will be invoiced monthly in US dollars to the following address:

Lessee agrees to pay all Lessor invoices in full within 30 days of invoice date. If any items on the invoices are disputed, Lessee will forward a list and explanation of the disputed items to Lessor's San Francisco office with payment in full. In turn, Lessor will undertake to reconcile these disputes within 60 days of receipt by either issuing credit or providing verification of correct billing or combination thereof. So long as Lessor acknowledges the dispute and is attempting in good faith to reconcile the disputed items, Lessee agrees not to withhold any money due Lessor which relates to such disputed items.

MAINTENANCE

Lessee shall at its own expense at all times maintain each container in good, safe and efficient working order and keep it fully and properly repaired.

DAMAGE PROCEDURE

Upon redelivery of a container to Lessor's authorized depot, if Lessor's Equipment Condition Report, executed by Lessor (or Lessor's local agent) and Lessee (or Lessee's local agent), shows the container to be in damaged condition, the following procedure will apply: If the container is found to be damaged, as defined by the Institute of International Container Lessors standards prevailing at the time of redelivery, Lessor or its authorized depot will issue a repair estimate to the Lessee. Lessee shall have 10 working days from the date of redelivery (the "Authorization Period") to authorize the depot to proceed with said repairs as shown on the repair estimate for Lessee's account. If authorization is received within the Authorization Period, the container shall be retroactively off-hired on its redelivery date. If authorization is not received within the Authorization Period, Lessor reserves the right to continue daily rental charges through the date upon which the depot receives authorization to proceed with repairs as estimated for the Lessee's account. Lessee or its local agent agrees to pay all repair charges as billed by Lessor or its authorized depot within 30 days of the date of the invoice therefor.

TOTAL LOSS

In the event a container is lost, stolen, destroyed, or damaged beyond structural or economic repair so as to be rendered incapable of return to Lessor (an "Actual Total Loss"), Lessee shall give notice in writing to Lessor of such Actual Total Loss specifying the container number and providing proof of loss satisfactory to Lessor. Provided Lessee is in compliance with its obligations under this Agreement at the time notice of Actual Total Loss is received by Lessor, Lessor

shall thereupon issue an invoice to Lessee for the Depreciated Casualty Value (“DCV”) (as set forth in Subsection 11c) of the Actual Total Loss container. Provided that payment of the DCV is made to Lessor within 30 days of the invoice date, daily rental charges will retroactively terminate on the date of Lessor’s receipt of such written notice. If payment is not received as aforesaid, daily rental charges shall continue to accrue until payment of the DCV is received by Lessor. Upon receipt of such payment accompanied by an appropriate request by Lessee, title to the Actual Total Loss container will be transferred to Lessee. Any taxes, duties or charges which become payable by virtue of the transfer of title to Lessee shall be for Lessee’s account.

If Lessee has redelivered a container to Lessor, and Lessee has received a damage estimate in accordance with Section 10, Lessee may, within the Authorization Period, authorize repairs in accordance with the estimate or request that Lessor supply details of the DCV for such container. If Lessor determines that the extent of the damage so warrants (a “Constructive Total Loss”), and provided Lessee is in compliance with its obligations under this Agreement at the time Lessee’s request for information on the DCV is received by Lessor, Lessor will furnish the DCV for such container, and Lessee shall have the option to pay either the estimated damages or the DCV. If Lessee elects the latter, Lessee shall give notice to Lessor of its election to declare Constructive Total Loss within 7 calendar days of receipt of the details of the DCV and Lessor will issue an invoice for the DCV of such Constructive Total Loss container. Provided that payment of the DCV is received by Lessor within 30 days of the date of invoice therefor, daily rental charges shall terminate on the date of redelivery of the Constructive Total Loss container. If payment is not received as aforesaid, daily rental charges shall continue to accrue until payment is received by Lessor. Unless otherwise elected by Lessor, title to the Constructive Total Loss container will remain with Lessor.

In calculating the DCV, the Casualty Value (as set forth below) of the container is depreciated down to a value not less than 50% of the Casualty Value. The depreciation is calculated on a straight line basis using a 15 year life span for the container with a 15% residual value.

<u>Container Type</u>	<u>Casualty Value</u>
20’ dry van containers	
40’ dry van containers	
40’ high cube containers	
20 open top containers	
40’ open top containers	
40’ flat rack containers	

Notwithstanding the provisions of Subsections 11a and b, if Lessee is in default of its obligations under this Agreement, unless and until such default(s) has/have been cured in a timely manner or has/have been waived in writing by Lessor, Lessee shall be obligated to Lessor for the full Casualty Value of all Actual Total Loss

containers under Subsection 11a, and shall be liable to Lessor, in Lessee's option, for either estimated repair costs or full Casualty Value of Constructive Total Loss containers under Subsection 11b.

INSURANCE

Without prejudice to any other obligations of Lessee under this Agreement, Lessee shall, at its own expense, obtain and continuously maintain in effect while any containers remain on lease to Lessee, insurance policies adequately insuring the containers against all risks of loss or damage, cargo damage and liability to third parties providing, at a minimum, the following coverages or the equivalent thereof:

All risks of loss or damage as per Institute Container Clauses — Time (All Risks) with an insured amount equivalent to the Casualty Value of all containers leased hereunder, subject to a deductible not exceeding US\$5,000.00 each and every accident and/or series of accidents and/or each and every occurrence and/or series of occurrences. However, the deductible as aforesaid shall not be applicable in the event of Actual Total Loss and/or Constructive Total Loss and/or General or Partial Average and Salvage Charges and/or Sue and Labor Charges;

Risks of War and Strikes as per Institute War and Strike Clauses — Container (Time);

Comprehensive General Liability insurance, including cargo liability, insuring against bodily injury and property damage, with a minimum combined limit of liability of US\$1,000,000.00 for each and every accident and/or series of accidents and/or each and every occurrence and/or series of occurrences,.

The insurance policies required hereunder shall be issued to Lessee and Lessor shall be named as Additional Insured and Direct Loss Payee as its interests may appear. Such policies shall provide that cancellation of such coverages shall be ineffective as to Lessor without 30 days prior written notice of cancellation to Lessor from the underwriters thereof. Insurance certificates evidencing the foregoing coverages shall be furnished to Lessor by brokers or underwriters reasonably acceptable to Lessor prior to the delivery of any containers to Lessee pursuant to this Agreement.

All policies to be provided by Lessee hereunder shall provide that Lessor may, but is not obligated to, pay the premiums thereof if Lessee fails to do so in a timely manner so as to keep the required coverages in effect without interruption. Should Lessee default in its obligations to provide uninterrupted insurance coverages pursuant to this section for any reason, Lessor may, but is not obligated to, procure the required coverages on Lessee's behalf. Should Lessor pay premiums under Lessee's policies or procure alternative coverage for Lessee as aforesaid, all sums

expended by Lessor in so doing, including reasonable administrative costs incurred by Lessor, shall constitute rent under this Agreement and shall immediately be and become due and payable by Lessee.

EXCLUSION OF WARRANTIES AND INDEMNITY

THE CONTAINERS ARE LEASED AS IS. PROVIDED THAT LESSEE COMPLIES FULLY WITH ITS OBLIGATIONS UNDER THIS AGREEMENT, LESSOR WARRANTS THAT LESSEE SHALL HAVE QUIET POSSESSION OF THE CONTAINERS. SAVE AS AFORESAID, NO REPRESENTATIONS OR WARRANTIES WHATSOEVER OF ANY KIND HAVE BEEN GIVEN BY LESSOR IN RELATION TO THE CONTAINERS, AND ALL REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, WHETHER IN RELATION TO THE FITNESS OF THE CONTAINERS FOR ANY PARTICULAR PURPOSE OR COUNTRY, OR WHETHER IN RELATION TO MERCHANTABILITY OR AS TO DESCRIPTION, STATE, QUALITY, OR CONDITION OF THE CONTAINERS AT DELIVERY OR AT ANY OTHER TIME ARE HEREBY WAIVED, EXCLUDED AND EXTINGUISHED.

Lessee shall indemnify and hold Lessor harmless from all liability, damage, cost or expense, including, without limitation, expenses in prosecuting or defending any claim or suit such as attorney’s fees, court costs and other expenses arising out of (i) any failure of Lessee to comply with its obligations under this Agreement; (ii) any claim, whether private or governmental, for personal injury or death, or for loss of or damage to person, property, cargo or vessels arising out of or incident to the ownership, selection, possession, leasing, operation, control, use, storage, loading, unloading, moving, maintenance, delivery, or return of the containers, and (iii) the containers and any forfeiture, seizure, or impounding of, or charge or lien thereon, and any loss thereof or damage thereto. Each party undertakes promptly to give notice to the other of claims against it or action against it with respect thereto, and Lessee agrees not to settle any action without the consent of Lessor. Lessee agrees to assume, on behalf of Lessor, the defense of any action or proceeding which may be brought by any third party against Lessor and to pay all costs and expenses of whatever nature in connection therewith, and to pay on behalf of Lessor the amount of any judgment or award that may be entered against Lessor with respect thereto.

EXPIRATION

Commencing the first day of the _____ month after the date specified by the terminating party in the notice delivered. pursuant to Section 2 of this Agreement, the daily rental charge for each container then on lease under this Agreement shall increase as follows:

20’ dry van containers	US\$ _____
40’ dry van containers	US\$ _____
40’ high cube containers	US\$ _____
20’ open top containers	US\$ _____
40’ open top containers	US\$ _____
40’ flat rack containers	US\$ _____

Except in regard to daily rental charges, all other terms and conditions of this Agreement shall continue with respect to all containers on lease to Lessee on the date of expiration until all such containers are redelivered to Lessor.

Please indicate your acceptance and agreement to the foregoing by signing and returning three copies of this Agreement to Lessor. Upon Lessor’s receipt and execution of said copies, the Agreement shall constitute a binding agreement between Lessor and Lessee, and one copy will be promptly returned for your files.

LESSEE

CONTAINER APPLICATIONS
INTERNATIONAL, INC.

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

EXHIBIT A
GENERAL TERMS AND CONDITIONS

1. DELIVERY OF EQUIPMENT

By execution of each ECR with respect to each item of equipment delivered to Lessee under this Agreement, Lessee conclusively acknowledges receipt thereof in good and leasable condition. Lessee agrees to return such equipment to Lessor in as good condition as received from Lessor, normal wear and deterioration excepted, and to execute Lessor's ECR upon redelivery to Lessor identifying and acknowledging any changes in the condition of the equipment while on lease to Lessee. Any changes in the equipment which could have been prevented by normal maintenance shall not constitute normal wear and deterioration and shall be deemed to be damage.

2. RENTAL AND OTHER CHARGES

a. Lessee agrees to pay rental charges for the equipment in the amount(s) set forth in this Agreement from this day such equipment is delivered and/or interchanged to Lessee until the day such equipment is returned to Lessor. However, if the equipment is not returned in good condition, Lessee agrees to pay for the cost of any necessary repairs together with rental charges through the date such repairs are approved by Lessee. Further, in the event no fixed lease term is specified for the equipment, Lessor may, upon written notice to Lessee, (i) prospectively adjust the initial rental charges to Lessor's then current average spot lease rate for such equipment on or after the 18 month anniversary of the lease out date of such equipment, or (ii) require that Lessee redeliver the equipment within 30 days of such notice in accordance with the redelivery provisions set forth herein. In the event a fixed lease term is specified for the equipment, Lessor may (unless otherwise provided elsewhere in this Agreement), upon written notice to Lessee (i) prospectively adjust the rental charges for such equipment to Lessor's then current average spot lease rate for such equipment on or after the 6 month anniversary of the expiration of the fixed term, or (ii) require that Lessee redeliver the equipment within 30 days of such notice in accordance with the redelivery provisions set forth herein.

b. Lessee shall return all equipment to Lessor's terminal at the point(s) of termination designated herein or, if no point(s) of termination have been so specified, to the locations specified in writing by the Lessor to Lessee. Furthermore, upon such redelivery Lessee agrees to pay Lessor the applicable equipment drop-off charge(s) shown herein, or, if no such charges are specified herein, the applicable drop-off charges contained in Lessor's current drop-off charge schedule. Lessor may close any redelivery location(s) specified herein or reduce the monthly redelivery limits specified for any such depot location(s) with immediate effect by giving written notice thereof to Lessee if such closure(s) or quantity reduction(s) is/are due to circumstance beyond Lessor's control, including, but not limited to, changes in applicable law and/or natural disasters.

c. All service charges incurred in transferring the equipment including, but not limited to, handling charges, transportation charges and _____ use fees, and all service charges imposed by any bank or other organization in connection with payment of monies due to Lessor, shall be for the account of Lessee.

d. Unless otherwise indicated herein, all payments due to Lessor shall be payable in United States Dollars and shall be paid to Lessor within fifteen (15) days of the date of Lessor's invoice(s), at the address for Lessor shown herein. In the event Lessor's invoice(s) is/are not paid when due, Lessor may, without prejudice to any other remedy it may have, charge, as additional rental, a service charge at the rate of the lessor of eighteen (18) percent per annum or the maximum amount permitted by applicable law, until the balance is paid in full.

e. It is expressly understood and agreed that (i) equipment furnished to Lessee hereunder is necessary to and leased for use aboard vessels owned, operated, chartered and/or managed by Lessee for ocean transportation of goods and for land transportation incidental thereto, (ii) equipment furnished to Lessee hereunder is made available not only on the credit of the lessee but also on the credit of such vessels as aforesaid, and (iii) to the extent permitted by law, Lessor has and may assert maritime liens against such vessels for any breach of Lessee's obligations to Lessor with respect to such equipment as set forth in this Agreement.

3. RISK OF LOSS AND DAMAGE

Lessee is liable to Lessor for all damage to or loss or destruction of the equipment subsequent to its delivery to Lessee and prior to its return to Lessor except that caused by normal wear and deterioration. Normal wear and deterioration shall not include damage caused by forklifts or other handling equipment.

a. **DAMAGE.** In the event Lessee fails to repair damage to the equipment prior to returning it to Lessor, Lessor or its authorized depot will present a repair estimate to Lessee or Lessee's local agent for approval. Lessee shall be liable to Lessor for the cost of such repairs and for rental charges for the equipment which shall continue until the day on which Lessee or its authorized agent approves the repairs as set forth in the estimate. Lessee will, at Lessor's request, make payment of repair costs directly to the appropriate repair company and pay any and all storage charges incurred as a result of Lessee's failure to approve repairs on a timely basis.

b. **LOSS OR TOTAL DAMAGE.** In the event of loss, theft or destruction of the equipment (an "Event of Loss") or damage thereto which Lessor, in its sole discretion, shall determine is not structurally or economically repairable (an "Event of Constructive Loss"), rental charges for the affected equipment shall terminate (1) upon receipt by Lessor of written notice from Lessee of an Event of Loss, or (2) upon issuance by Lessor of a written notice to Lessee of an Event of Constructive Loss, provided in either event that payment of the Casualty Value for a like item of equipment (as set forth herein or in Lessor's then current Casualty Value Schedule) is made to Lessor within 30 days of such notice. If payment is not made within such 30 days, rental charges shall continue unabated until payment of the Casualty Value is received by Lessor. General payments by Lessee shall not be applied to charges for the Casualty Value of equipment unless so specified by Lessee. Further, if any equipment is subject to an Event of Loss or Event of Constructive Loss prior to the expiration of any fixed term specified for such equipment, Lessor shall have the right but not the obligation to supply a like item of equipment to Lessee, whereupon Lessee agrees either (1) to lease such substitute equipment, or (2) if Lessee elects not to lease the substitute equipment, to pay Lessor any shortfall between the historic rental charges for the original item of equipment and the contractual rental charges for said fixed term.

4. OPERATION, MAINTENANCE AND REPAIR

a. Lessee shall use the equipment properly and shall, at its sole cost and expense, maintain the equipment in good repair and safe operating condition. Such maintenance shall include but not be limited to the replacement of all badly worn or broken parts with new parts of equivalent design and material, as well as the abrasive cleaning, priming and top coating of all corroded areas on a routine, as needed basis. Lessee shall be liable for any repairs wrongly made or incompatible with the standards set forth in the Repair Manuals issued from time to time by the Institute of International Container Lessors. Lessee shall be responsible for all cleaning and

decontamination costs with respect to equipment contaminated by cargo or otherwise and for removal of all debris and shoring from any containers leased hereunder prior to their return to Lessor. Lessee shall be liable for all costs and losses to Lessor arising out of Lessee's failure to repair or maintain the equipment in good condition. If the foregoing obligations are performed by Lessor, all expenses relating thereto will be for the account of Lessee.

b. Lessee shall use the equipment in accordance with good operating practices and so as to comply with all loading limitations, handling procedures and operating instructions prescribed by the manufacturer(s) thereof and by Lessor, including, but not limited to, current Regulations and Recommendations of the International Organization of Standardization and applicable local regulations, and shall prevent usage which may damage or shorten the life of the equipment such as excessive impact and unbalanced loading. Lessee shall not use the equipment for storage or transportation of goods which could damage the equipment including, without limitation, unprotected corrosive substances, poorly secured materials or bulk commodities which may corrode, oxidize, severely dent, puncture, contaminate, stain or damage the equipment.

c. Container(s) supplied hereunder shall be used solely in international trade unless the use thereof in domestic transportation of goods is expressly permitted elsewhere in this Agreement.

d. Receipt or delivery of equipment or any other act by an agent or employee of, or independent contractor engaged by, Lessee shall be deemed to be the act of Lessee and shall be binding upon Lessee.

e. Lessor's equipment is identified by appropriate lettering and numbering, which Lessee agrees not to change or obliterate. Notwithstanding the foregoing, at the written request of Lessor, Lessee shall change or supplement such marks as Lessor shall request. Lessee may, however, add other markings as may be required, provided that such additional markings will be removed and the surface of the equipment shall be in the same condition as prior to the addition of such markings when the equipment is redelivered to Lessor. If Lessee fails to remove such additional markings, Lessor shall remove such markings at Lessee's cost.

f. Lessee shall be responsible for the cost of removal of any intentional or unintentional amendments, alterations, or modifications made to the equipment and for returning the equipment to the same condition in which it was originally received by Lessee.

g. Lessee shall at its expense comply with all laws, regulations and orders which in any way affect the equipment or its use, operation or storage. Lessor shall have no responsibility for compliance with any such laws, regulations or orders, including, without limitation, all such laws, regulations or orders as may relate to customs, transportation, handling, safety and labor regulation.

h. Lessee shall at its expense comply with all rules and practices of ports, depots, storage areas and transportation companies consistent with the other requirements of this Section 4.

i. Lessor shall deliver containers to Lessee which fully comply with the rules and standards of the International Convention for Safe Containers ("CSC"). Such containers shall have affixed CSC plates or CSC plates with an ACEP (Approved Continuous Examination Program) mark. It shall be the obligation of Lessee to comply with the CSC in all respects and Lessee shall have and exercise Lessor's responsibilities under the CSC including, without limitation, plating (design-type approval to be obtained and plates to be provided by Lessor), maintenance, examination, re-examination and marking of each container. Such examination or re-examination shall be performed in accordance with the Rules and Regulations for the Safety Approval of Cargo Containers of the United States Department of Transportation. Lessee shall also comply with the Customs Conventions on Containers, 1956 and 1972, including, without limitation, all obligations of the operator relating to temporary admission, transport of goods under customs seal, maintenance of records and reporting to governmental authorities.

5. DEFAULT, REMEDIES UPON DEFAULT

a. Should Lessee (i) default in the timely payment of any sum due to Lessor with respect to the equipment, or (ii) default in the performance of its other obligations with respect to the equipment hereunder or under any other lease contract(s) made between Lessor and Lessee, or (iii) suffer any distress, execution or other legal process which has the effect of a levy on any of the equipment leased hereunder or thereunder, or (iv) cease doing business as a going concern, become insolvent, commit an act of bankruptcy, or become the subject of any proceeding under any applicable Bankruptcy Act, or (v) be seized or nationalized or should any of Lessee's assets be seized by a government or government instrumentality; then Lessor may without notice and without relieving Lessee of its obligations hereunder, terminate the leasing of the equipment, involve the default provisions hereof and/or of any other leases made between Lessor and Lessee, declare the balance of all rental accrued and to be accrued hereunder and thereunder to be due and payable, demand and retake possession of the equipment and all other equipment leased by Lessor to Lessee free of any claims of Lessee, assert maritime or other liens against Lessee's property wherever it may be found, and exercise any other right or remedy available to Lessor under applicable law. In the event Lessor terminates the leasing of equipment or invokes the aforesaid default remedies, Lessee shall no longer be in possession of Lessor's equipment with Lessor's consent, and the rental payable therefor shall immediately increase to the spot lease rates charged by Lessor for like type equipment at the time of default. Lessee shall immediately notify Lessor of the exact location of the equipment. If Lessee fails to redeliver such equipment to Lessor within twenty days of Lessor's demand for redelivery, Lessor may retake possession of any or all of its equipment in the possession of Lessee, and for such purpose may enter upon any premises belonging to or in the occupation or control of Lessee. LESSEE HEREBY WAIVES ANY AND ALL RIGHTS TO A JUDICIAL HEARING PRIOR TO LESSOR'S REPOSSESSION OF THE EQUIPMENT.

b. Lessee shall continue to pay rental charges for equipment until (i) the equipment is returned to Lessor in as good condition as received, normal wear and deterioration excepted, or (ii) the equipment is repaired and fit for subsequent rental, or (iii) settlement for the equipment is made. In the event Lessor retakes possession of all or any part of the equipment, Lessee authorizes Lessor to take possession of any property in, on, or attached to such equipment which is not the property of Lessor, and without liability for its care or safekeeping, to place such property in storage at the risk and expense of Lessee. Lessee further agrees to pay Lessor upon demand the Casualty Value of any equipment which has not been returned within the foregoing twenty day period. Upon such return or repossession of the equipment, Lessee will pay immediately to Lessor, as liquidated damages for loss of a bargain, which the parties agree are fair and reasonable under the circumstances existing at the time this Agreement is entered into, and not as a penalty, and in lieu of any further payments of rent for the equipment, the following: (aa) all rent and other amounts due for such equipment as of such date of return or repossession, (bb) an additional payment of three month's rent for the equipment to compensate Lessor for the reasonable estimate of the time and expense required to locate a new Lessee, for the equipment (the "Remarketing Period"), (cc) an amount equal to the present value of the difference between the total remaining rental payments for the unexpired minimum lease term, if any, (commencing at the end of the Remarketing Period) and the fair market rent for the same period discounted at a rate per annum equal to the discount rate for 13-week Treasury Bills as of the date on which the

equipment is returned or repossessed (as such rate is reported in the Money Rates column in the Wall Street Journal), and (dd) any and all incidental damages suffered by Lessor as a result of Lessee's default, less any expenses saved by Lessor in consequence of the default.

c. Without in any way limiting the obligations of Lessee hereunder, Lessee hereby irrevocably appoints Lessor as the agent and attorney-in-fact of Lessee, with full power and authority at any time that Lessee is obligated to deliver possession of any equipment to Lessor, to demand and take possession of such equipment in the name and on behalf of Lessee from whomsoever shall be at the time in possession of such equipment.

d. Lessee hereby irrevocably waives any immunity from jurisdiction to which it might otherwise be entitled (including but not limited to any immunity afforded to Lessee by the United States Foreign Sovereign Immunities Act or any similar legislations, rules or regulations of any other countries having applicability to Lessee) in any action arising out of or relating to the equipment or to this Agreement which may be instituted in any court or arbitration proceedings in or outside of the United States of America. Lessee further irrevocably waives any immunity from the execution or enforcement of any judgment obtained in any legal action or arbitration proceeding worldwide.

e. Termination of the leasing of the equipment as a result of Lessee's default shall not relieve Lessee of any liabilities or obligations to Lessor accrued prior to such default and Lessee shall in any event remain fully liable for reasonable damages as provided by law, and for all costs and expenses incurred by Lessor on account of such default including all cost of recovering equipment, legal costs and reasonable attorney's fees. Nothing in this paragraph shall be construed to waive any remedy or relief available to Lessor hereunder, in equity, in admiralty, or at law upon the occurrence of any event set forth in this section.

f. Any forbearance by Lessor to enforce its rights hereunder in the event of a default by Lessee shall not constitute a waiver of Lessor's rights, nor shall said forbearance waive Lessor's rights with respect to any other failure by Lessee to comply strictly with its obligations to Lessor.

6. LIMITATION OF WARRANTIES

a. THIS EQUIPMENT IS LEASED AS IS. PROVIDED THAT LESSEE COMPLIES FULLY WITH ITS OBLIGATIONS UNDER THIS AGREEMENT, LESSOR WARRANTS THAT LESSEE SHALL HAVE QUIET POSSESSION OF THE EQUIPMENT, SAVE AS AFORESAID NO REPRESENTATIONS OR WARRANTIES WHATSOEVER OF ANY KIND HAVE BEEN OR ARE GIVEN BY LESSOR IN RELATION TO THE EQUIPMENT, AND ALL REPRESENTATIONS AND WARRANTIES WHETHER EXPRESS OR IMPLIED, WHETHER IN RELATION TO THE FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE OR COUNTRY, OR WHETHER IN RELATION TO MERCHANTABILITY OR AS TO DESCRIPTION, STATE, QUALITY, OR CONDITION OF THE EQUIPMENT AT DELIVERY OR AT ANY OTHER TIME ARE HEREBY WAIVED, EXCLUDED AND EXTINGUISHED.

b. LESSEE'S OBLIGATIONS UNDER THIS AGREEMENT ARE ABSOLUTE AND SHALL NOT BE AFFECTED BY ANY CIRCUMSTANCE OR EVENT BEYOND LESSEE'S CONTROL OF WHATEVER NATURE.

c. Lessee will not suffer to be created, nor permit to be continued, nor fail to discharge, any lien or encumbrance incurred by Lessee or its agents against the equipment covered hereunder, nor shall Lessee or its agents procure any document of title which might at any time encumber the owner's title to or infringe upon Lessor's possessory rights to the equipment at expiration or earlier termination of the leasing thereof to the Lessee.

7. NOTICES

All billings, payments and written notices from either party to the other shall be given to the addresses shown herein, to Lessee's local agent, or to such other address as may be designated in writing by either party from time to time and shall be deemed to have been received upon delivery to the party to whom they are directed.

8. TAXES, FEES AND FINES

a. Lessee shall pay all taxes (other than taxes on Lessor's net income) and charges levied on the equipment or in connection with the use, storage, operation or possession by Lessee of the equipment or levied against or based upon the amount of rentals paid or to be paid with respect thereto, or any other taxes levied against or based upon the leasing thereof to Lessee or subsequent to delivery to Lessee, including, without limitation, property, sales, use and excise taxes, duties, customs tariffs and impositions of federal, state, foreign and local governments and agencies. Taxes, duties, charges etc. levied on the equipment due solely to the ownership thereof shall be for Lessor's account unless such taxes are assessed because of the presence of the equipment in a taxing jurisdiction as a result of Lessee's use of the equipment.

b. Lessee shall pay all charges incurred in ports, depots, storage areas or otherwise arising out of the use of the equipment.

c. Lessee is not entitled to claim any investment tax credits or depreciation deductions or any other tax benefits normally associated with ownership of any of the equipment covered hereunder, Lessee hereby warrants that it will not claim any such investment tax credits, depreciation deductions or other such tax benefits.

9. INDEMNITY

a. Lessee shall indemnify and hold Lessor harmless from all liability, damage, cost and expenses (including, without limitation, expenses in prosecuting or defending any claim or suit such as attorney's fees, court costs and other expenses) arising out of (i) any failure of Lessee to comply with its obligations hereunder, (ii) any claim whether private or governmental, for personal injury or death, and for loss of or damage to person, property, cargo or vessels arising out of or incident to the ownership, selection, possession, leasing, operation, control, use, storage, loading, unloading, moving, maintenance, delivery or return of the equipment, and (iii) the equipment and any loss of or damage thereto, or any forfeiture, seizure, or impounding of, or charge or lien on the equipment. Each party undertakes promptly to give notice to the other of such claims against it or actions against it, and Lessee agrees not to settle any action without the consent of Lessor.

b. Lessee shall maintain third party liability insurance, cargo damage insurance, and all risk property loss and damage insurance (including General Average) with respect to all equipment covered hereunder. All such insurance shall be written by reputable underwriters and shall be in amounts and on terms which are satisfactory to Lessor. Lessee shall deliver certificates of insurance to Lessor evidencing the aforesaid coverages and naming Lessor as an additional insured and loss payee thereunder as its interests may appear.

10. SUBLEASING, DIRECT INTERCHANGING AND ASSIGNMENT

a. Lessee shall not have the right to assign this Agreement or to assign, sublet, rent, directly interchange or otherwise hire out or part with possession of the equipment to any other party (other than to the care of connecting carriers in the normal course of Lessee's business) without the prior written consent of Lessor and such consent of Lessor, if given, shall not operate to relieve Lessee of any of its obligations hereunder.

b. Lessor may delegate, assign, pledge or encumber in whole or in part this Agreement, the equipment, leased hereunder, and/or the rentals and other charges due with respect thereto. Lessee agrees to pay in full rentals and other charges as accrued to Lessor's assignee, regardless of any defenses, counterclaims or set-offs which Lessee might have against Lessor.

11. GENERAL

a. This agreement is binding upon the parties, their permitted successors and assigns and shall be construed and interpreted in accordance with the laws of the United States of America and, except where inconsistent therewith, with the laws of the State of California. With respect to any claim or controversy arising out of or relating to this agreement, the parties consent to the jurisdiction of the State and Federal Courts located in San Francisco, California, U.S.A.

b. The paragraph headings in this agreement are for convenience only and shall not be deemed to alter or affect any provision hereof.

c. The equipment furnished hereunder is provided to Lessee under a net lease contract. Lessee waives any and all existing and future defenses, set-offs, or counterclaims against rental charges or payments due to Lessor with respect to the equipment, irrespective of the rights which Lessee may have against Lessor or any other party.

d. Lessee agrees to supply on request from Lessor, equipment tracking reports produced in the regular course of Lessee's business showing the location of all equipment on lease to Lessee from Lessor.

e. Lessee agrees to supply audited financial statements on request to Lessor and Lessor agrees to keep such statements confidential.

f. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and may be amended, modified or changed only by an additional agreement in writing executed by the parties hereto. If Lessee fails, however, to give to Lessor written objection to its contents within seven (7) days after this Agreement is received or if Lessee takes possession of any of the equipment provided hereunder and retains it after receipt of this Agreement then this Agreement shall be effective and binding upon Lessee whether or not signed.

g. Any action by Lessee against Lessor for any default by Lessor under this Agreement, including breach of warranty or indemnity, shall be commenced within one (1) year after any such cause of action accrues.

Container Applications International, Inc.

CON-GEN (Rev. 8/02)

C

CAI-INTERPOOL, LLC
One Embarcadero Center, Suite 2101
San Francisco, CA 94111, U.S.A.
Tel: (415) 788-0100 • Fax: (415) 788-3430

(Date)

Lessee Name

Lessee Address

Dear _____,

CAI-Interpool, LLC ("Lessor"), is pleased to present the following terms for leasing containers to _____ ("Lessee"). Containers leased hereunder shall be invoiced under Lessor's customer code _____.

Lessor and Lessee expressly understand and agree that upon the execution hereof, Lessor will simultaneously assign all of Lessor's right, title and interest in and to this Agreement to Container Applications International, Inc. ("CAI"), and CAI will assume all of Lessor's obligations hereunder.

Equipment: Equipment Type, Quantity
Supply: Lessor Depot Locations in _____ Timing (if applicable) (on an as-available basis if applicable)
Effective Date:
Expiration Date: Upon 60 days prior written notice from one party to the other. Per Diem:
Minimum Rental Period:
Redelivery: Lessor Depot Locations in _____ With no monthly redelivery limits and no drop off charges.
Handling: For Lessor's account.
OR
Handling: US\$XX.00 outbound and US\$XX.00 inbound per container
Damages: Upon redelivery containers to be repaired to IICL standards at Lessee's expense.
OR
Damages: First US\$ _____ of repairs, for Lessor's account. For damages exceeding US\$ _____, containers are to be repaired to IICL standards at Lessee's expense.

Casualty Value:

Winddown Period:

Per Diem after Winddown:

Payment: 30 days from date of invoice.

All other terms and conditions per Lessor's standard lease agreement, a copy of which is attached as Exhibit A.

Please confirm your agreement to the above by signing in the space provided below and returning this letter signed to Lessor.

This letter agreement is subject to approval and acceptance by Lessor upon receipt of a copy countersigned by Lessee.

Thank you for allowing us to submit this agreement to fulfill the equipment needs of (Lessee).

Very truly yours,

Frederic M. Bauthier
Vice President, Marketing

Accepted:

(Lessee's Name)

Date _____

EXHIBIT A
GENERAL TERMS AND CONDITIONS

1. DELIVERY OF EQUIPMENT

By execution of each ECR with respect to each item of equipment delivered to Lessee under this Agreement, Lessee conclusively acknowledges receipt thereof in good and leasable condition. Lessee agrees to return such equipment to Lessor in as good condition as received from Lessor, normal wear and deterioration excepted, and to execute Lessor's ECR upon redelivery to Lessor identifying and acknowledging any changes in the condition of the equipment while on lease to Lessee. Any changes in the equipment which could have been prevented by normal maintenance shall not constitute normal wear and deterioration and shall be deemed to be damage.

2. RENTAL AND OTHER CHARGES

a. Lessee agrees to pay rental charges for the equipment in the amount(s) set forth in this Agreement from this day such equipment is delivered and/or interchanged to Lessee until the day such equipment is returned to Lessor. However, if the equipment is not returned in good condition, Lessee agrees to pay for the cost of any necessary repairs together with rental charges through the date such repairs are approved by Lessee. Further, in the event no fixed lease term is specified for the equipment, Lessor may, upon written notice to Lessee, (i) prospectively adjust the initial rental charges to Lessor's then current average spot lease rate for such equipment on or after the 18 month anniversary of the lease out date of such equipment, or (ii) require that Lessee redeliver the equipment within 30 days of such notice in accordance with the redelivery provisions set forth herein. In the event a fixed lease term is specified for the equipment, Lessor may (unless otherwise provided elsewhere in this Agreement), upon written notice to Lessee (i) prospectively adjust the rental charges for such equipment to Lessor's then current average spot lease rate for such equipment on or after the 6 month anniversary of the expiration of the fixed term, or (ii) require that Lessee redeliver the equipment within 30 days of such notice in accordance with the redelivery provisions set forth herein.

b. Lessee shall return all equipment to Lessor's terminal at the point(s) of termination designated herein or, if no point(s) of termination have been so specified, to the locations specified in writing by the Lessor to Lessee. Furthermore, upon such redelivery Lessee agrees to pay Lessor the applicable equipment drop-off charge(s) shown herein, or, if no such charges are specified herein, the applicable drop-off charges contained in Lessor's current drop-off charge schedule. Lessor may close any redelivery location(s) specified herein or reduce the monthly redelivery limits specified for any such depot location(s) with immediate effect by giving written notice thereof to Lessee if such closure(s) or quantity reduction(s) is/are due to circumstance beyond Lessor's control, including, but not limited to, changes in applicable law and/or natural disasters.

c. All service charges incurred in transferring the equipment including, but not limited to, handling charges, transportation charges and _____ use fees, and all service charges imposed by any bank or other organization in connection with payment of monies due to Lessor, shall be for the account of Lessee.

d. Unless otherwise indicated herein, all payments due to Lessor shall be payable in United States Dollars and shall be paid to Lessor within fifteen (15) days of the date of Lessor's invoice(s), at the address for Lessor shown herein. In the event Lessor's invoice(s) is/are not paid when due, Lessor may, without prejudice to any other remedy it may have, charge, as additional rental, a service charge at the rate of the lessor of eighteen (18) percent per annum or the maximum amount permitted by applicable law, until the balance is paid in full.

e. It is expressly understood and agreed that (i) equipment furnished to Lessee hereunder is necessary to and leased for use aboard vessels owned, operated, chartered and/or managed by Lessee for ocean transportation of goods and for land transportation incidental thereto, (ii) equipment furnished to Lessee hereunder is made available not only on the credit of the lessee but also on the credit of such vessels as aforesaid, and (iii) to the extent permitted by law, Lessor has and may assert maritime liens against such vessels for any breach of Lessee's obligations to Lessor with respect to such equipment as set forth in this Agreement.

3. RISK OF LOSS AND DAMAGE

Lessee is liable to Lessor for all damage to or loss or destruction of the equipment subsequent to its delivery to Lessee and prior to its return to Lessor except that caused by normal wear and deterioration. Normal wear and deterioration shall not include damage caused by forklifts or other handling equipment.

a. **DAMAGE.** In the event Lessee fails to repair damage to the equipment prior to returning it to Lessor, Lessor or its authorized depot will present a repair estimate to Lessee or Lessee's local agent for approval. Lessee shall be liable to Lessor for the cost of such repairs and for rental charges for the equipment which shall continue until the day on which Lessee or its authorized agent approves the repairs as set forth in the estimate. Lessee will, at Lessor's request, make payment of repair costs directly to the appropriate repair company and pay any and all storage charges incurred as a result of Lessee's failure to approve repairs on a timely basis.

b. **LOSS OR TOTAL DAMAGE.** In the event of loss, theft or destruction of the equipment (an "Event of Loss") or damage thereto which Lessor, in its sole discretion, shall determine is not structurally or economically repairable (an "Event of Constructive Loss"), rental charges for the affected equipment shall terminate (1) upon receipt by Lessor of written notice from Lessee of an Event of Loss, or (2) upon issuance by Lessor of a written notice to Lessee of an Event of Constructive Loss, provided in either event that payment of the Casualty Value for a like item of equipment (as set forth herein or in Lessor's then current Casualty Value Schedule) is made to Lessor within 30 days of such notice. If payment is not made within such 30 days, rental charges shall continue unabated until payment of the Casualty Value is received by Lessor. General payments by Lessee shall not be applied to charges for the Casualty Value of equipment unless so specified by Lessee. Further, if any equipment is subject to an Event of Loss or Event of Constructive Loss prior to the expiration of any fixed term specified for such equipment, Lessor shall have the right but not the obligation to supply a like item of equipment to Lessee, whereupon Lessee agrees either (1) to lease such substitute equipment, or (2) if Lessee elects not to lease the substitute equipment, to pay Lessor any shortfall between the historic rental charges for the original item of equipment and the contractual rental charges for said fixed term.

4. OPERATION, MAINTENANCE AND REPAIR

a. Lessee shall use the equipment properly and shall, at its sole cost and expense, maintain the equipment in good repair and safe operating condition. Such maintenance shall include but not be limited to the replacement of all badly worn or broken parts with new parts of equivalent design and material, as well as the abrasive cleaning, priming and top coating of all corroded areas on a routine, as needed basis. Lessee shall be liable for any repairs wrongly made or incompatible with the standards set forth in the Repair Manuals issued from time to time by the Institute of International Container Lessors. Lessee shall be responsible for all cleaning and

decontamination costs with respect to equipment contaminated by cargo or otherwise and for removal of all debris and shoring from any containers leased hereunder prior to their return to Lessor. Lessee shall be liable for all costs and losses to Lessor arising out of Lessee's failure to repair or maintain the equipment in good condition. If the foregoing obligations are performed by Lessor, all expenses relating thereto will be for the account of Lessee.

b. Lessee shall use the equipment in accordance with good operating practices and so as to comply with all loading limitations, handling procedures and operating instructions prescribed by the manufacturer(s) thereof and by Lessor, including, but not limited to, current Regulations and Recommendations of the International Organization of Standardization and applicable local regulations, and shall prevent usage which may damage or shorten the life of the equipment such as excessive impact and unbalanced loading. Lessee shall not use the equipment for storage or transportation of goods which could damage the equipment including, without limitation, unprotected corrosive substances, poorly secured materials or bulk commodities which may corrode, oxidize, severely dent, puncture, contaminate, stain or damage the equipment.

c. Container(s) supplied hereunder shall be used solely in international trade unless the use thereof in domestic transportation of goods is expressly permitted elsewhere in this Agreement.

d. Receipt or delivery of equipment or any other act by an agent or employee of, or independent contractor engaged by, Lessee shall be deemed to be the act of Lessee and shall be binding upon Lessee.

e. Lessor's equipment is identified by appropriate lettering and numbering, which Lessee agrees not to change or obliterate. Notwithstanding the foregoing, at the written request of Lessor, Lessee shall change or supplement such marks as Lessor shall request. Lessee may, however, add other markings as may be required, provided that such additional markings will be removed and the surface of the equipment shall be in the same condition as prior to the addition of such markings when the equipment is redelivered to Lessor. If Lessee fails to remove such additional markings, Lessor shall remove such markings at Lessee's cost.

f. Lessee shall be responsible for the cost of removal of any intentional or unintentional amendments, alterations, or modifications made to the equipment and for returning the equipment to the same condition in which it was originally received by Lessee. Lessee shall at its expense comply with all laws, regulations and orders which in any way affect the equipment or its use, operation or storage. Lessor shall have no responsibility for compliance with any such laws, regulations or orders, including, without limitation, all such laws, regulations or orders as may relate to customs, transportation, handling, safety and labor regulation.

g. Lessee shall at its expense comply with all rules and practices of ports, depots, storage areas and transportation companies consistent with the other requirements of this Section 4.

h. Lessor shall deliver containers to Lessee which fully comply with the rules and standards of the International Convention for Safe Containers ("CSC"). Such containers shall have affixed CSC plates or CSC plates with an ACEP (Approved Continuous Examination Program) mark. It shall be the obligation of Lessee to comply with the CSC in all respects and Lessee shall have and exercise Lessor's responsibilities under the CSC including, without limitation, plating (design-type approval to be obtained and plates to be provided by Lessor), maintenance, examination, re-examination and marking of each container. Such examination or re-examination shall be performed in accordance with the Rules and Regulations for the Safety Approval of Cargo Containers of the United States Department of Transportation. Lessee shall also comply with the Customs Conventions on Containers, 1956 and 1972, including, without limitation, all obligations of the operator relating to temporary admission, transport of goods under customs seal, maintenance of records and reporting to governmental authorities.

5. DEFAULT, REMEDIES UPON DEFAULT

a. Should Lessee (i) default in the timely payment of any sum due to Lessor with respect to the equipment, or (ii) default in the performance of its other obligations with respect to the equipment hereunder or under any other lease contract(s) made between Lessor and Lessee, or (iii) suffer any distress, execution or other legal process which has the effect of a levy on any of the equipment leased hereunder or thereunder, or (iv) cease doing business as a going concern, become insolvent, commit an act of bankruptcy, or become the subject of any proceeding under any applicable Bankruptcy Act, or (v) be seized or nationalized or should any of Lessee's assets be seized by a government or government instrumentality; then Lessor may without notice and without relieving Lessee of its obligations hereunder, terminate the leasing of the equipment, involve the default provisions hereof and/or of any other leases made between Lessor and Lessee, declare the balance of all rental accrued and to be accrued hereunder and thereunder to be due and payable, demand and retake possession of the equipment and all other equipment leased by Lessor to Lessee free of any claims of Lessee, assert maritime or other liens against Lessee's property wherever it may be found, and exercise any other right or remedy available to Lessor under applicable law. In the event Lessor terminates the leasing of equipment or invokes the aforesaid default remedies, Lessee shall no longer be in possession of Lessor's equipment with Lessor's consent, and the rental payable therefor shall immediately increase to the spot lease rates charged by Lessor for like type equipment at the time of default. Lessee shall immediately notify Lessor of the exact location of the equipment. If Lessee fails to redeliver such equipment to Lessor within twenty days of Lessor's demand for redelivery, Lessor may retake possession of any or all of its equipment in the possession of Lessee, and for such purpose may enter upon any premises belonging to or in the occupation or control of Lessee. LESSEE HEREBY WAIVES ANY AND ALL RIGHTS TO A JUDICIAL HEARING PRIOR TO LESSOR'S REPOSSESSION OF THE EQUIPMENT.

b. Lessee shall continue to pay rental charges for equipment until (i) the equipment is returned to Lessor in as good condition as received, normal wear and deterioration excepted, or (ii) the equipment is repaired and fit for subsequent rental, or (iii) settlement for the equipment is made. In the event Lessor retakes possession of all or any part of the equipment, Lessee authorizes Lessor to take possession of any property in, on, or attached to such equipment which is not the property of Lessor, and without liability for its care or safekeeping, to place such property in storage at the risk and expense of Lessee. Lessee further agrees to pay Lessor upon demand the Casualty Value of any equipment which has not been returned within the foregoing twenty day period. Upon such return or repossession of the equipment, Lessee will pay immediately to Lessor, as liquidated damages for loss of a bargain, which the parties agree are fair and reasonable under the circumstances existing at the time this Agreement is entered into, and not as a penalty, and in lieu of any further payments of rent for the equipment, the following: (aa) all rent and other amounts due for such equipment as of such date of return or repossession, (bb) an additional payment of three month's rent for the equipment to compensate Lessor for the reasonable estimate of the time and expense required to locate a new Lessee, for the equipment (the "Remarketing Period"), (cc) an amount equal to the present value of the difference between the total remaining rental payments for the unexpired minimum lease term, if any, (commencing at the end of the Remarketing Period) and the fair market rent for the same period discounted at a rate per annum equal to the discount rate for 13-week Treasury Bills as of the date on which the

equipment is returned or repossessed (as such rate is reported in the Money Rates column in the Wall Street Journal), and (dd) any and all incidental damages suffered by Lessor as a result of Lessee's default, less any expenses saved by Lessor in consequence of the default.

c. Without in any way limiting the obligations of Lessee hereunder, Lessee hereby irrevocably appoints Lessor as the agent and attorney-in-fact of Lessee, with full power and authority at any time that Lessee is obligated to deliver possession of any equipment to Lessor, to demand and take possession of such equipment in the name and on behalf of Lessee from whomsoever shall be at the time in possession of such equipment.

d. Lessee hereby irrevocably waives any immunity from jurisdiction to which it might otherwise be entitled (including but not limited to any immunity afforded to Lessee by the United States Foreign Sovereign Immunities Act or any similar legislations, rules or regulations of any other countries having applicability to Lessee) in any action arising out of or relating to the equipment or to this Agreement which may be instituted in any court or arbitration proceedings in or outside of the United States of America. Lessee further irrevocably waives any immunity from the execution or enforcement of any judgment obtained in any legal action or arbitration proceeding worldwide.

e. Termination of the leasing of the equipment as a result of Lessee's default shall not relieve Lessee of any liabilities or obligations to Lessor accrued prior to such default and Lessee shall in any event remain fully liable for reasonable damages as provided by law, and for all costs and expenses incurred by Lessor on account of such default including all cost of recovering equipment, legal costs and reasonable attorney's fees. Nothing in this paragraph shall be construed to waive any remedy or relief available to Lessor hereunder, in equity, in admiralty, or at law upon the occurrence of any event set forth in this section.

f. Any forbearance by Lessor to enforce its rights hereunder in the event of a default by Lessee shall not constitute a waiver of Lessor's rights, nor shall said forbearance waive Lessor's rights with respect to any other failure by Lessee to comply strictly with its obligations to Lessor.

6. LIMITATION OF WARRANTIES

a. THIS EQUIPMENT IS LEASED AS IS. PROVIDED THAT LESSEE COMPLIES FULLY WITH ITS OBLIGATIONS UNDER THIS AGREEMENT, LESSOR WARRANTS THAT LESSEE SHALL HAVE QUIET POSSESSION OF THE EQUIPMENT, SAVE AS AFORESAID NO REPRESENTATIONS OR WARRANTIES WHATSOEVER OF ANY KIND HAVE BEEN OR ARE GIVEN BY LESSOR IN RELATION TO THE EQUIPMENT, AND ALL REPRESENTATIONS AND WARRANTIES WHETHER EXPRESS OR IMPLIED, WHETHER IN RELATION TO THE FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE OR COUNTRY, OR WHETHER IN RELATION TO MERCHANTABILITY OR AS TO DESCRIPTION, STATE, QUALITY, OR CONDITION OF THE EQUIPMENT AT DELIVERY OR AT ANY OTHER TIME ARE HEREBY WAIVED, EXCLUDED AND EXTINGUISHED.

b. LESSEE'S OBLIGATIONS UNDER THIS AGREEMENT ARE ABSOLUTE AND SHALL NOT BE AFFECTED BY ANY CIRCUMSTANCE OR EVENT BEYOND LESSEE'S CONTROL OF WHATEVER NATURE.

c. Lessee will not suffer to be created, nor permit to be continued, nor fail to discharge, any lien or encumbrance incurred by Lessee or its agents against the equipment covered hereunder, nor shall Lessee or its agents procure any document of title which might at any time encumber the owner's title to or infringe upon Lessor's possessory rights to the equipment at expiration or earlier termination of the leasing thereof to the Lessee.

7. NOTICES

All billings, payments and written notices from either party to the other shall be given to the addresses shown herein, to Lessee's local agent, or to such other address as may be designated in writing by either party from time to time and shall be deemed to have been received upon delivery to the party to whom they are directed.

8. TAXES, FEES AND FINES

a. Lessee shall pay all taxes (other than taxes on Lessor's net income) and charges levied on the equipment or in connection with the use, storage, operation or possession by Lessee of the equipment or levied against or based upon the amount of rentals paid or to be paid with respect thereto, or any other taxes levied against or based upon the leasing thereof to Lessee or subsequent to delivery to Lessee, including, without limitation, property, sales, use and excise taxes, duties, customs tariffs and impositions of federal, state, foreign and local governments and agencies. Taxes, duties, charges etc. levied on the equipment due solely to the ownership thereof shall be for Lessor's account unless such taxes are assessed because of the presence of the equipment in a taxing jurisdiction as a result of Lessee's use of the equipment.

b. Lessee shall pay all charges incurred in ports, depots, storage areas or otherwise arising out of the use of the equipment.

c. Lessee is not entitled to claim any investment tax credits or depreciation deductions or any other tax benefits normally associated with ownership of any of the equipment covered hereunder, Lessee hereby warrants that it will not claim any such investment tax credits, depreciation deductions or other such tax benefits.

9. INDEMNITY

a. Lessee shall indemnify and hold Lessor harmless from all liability, damage, cost and expenses (including, without limitation, expenses in prosecuting or defending any claim or suit such as attorney's fees, court costs and other expenses) arising out of (i) any failure of Lessee to comply with its obligations hereunder, (ii) any claim whether private or governmental, for personal injury or death, and for loss of or damage to person, property, cargo or vessels arising out of or incident to the ownership, selection, possession, leasing, operation, control, use, storage, loading, unloading, moving, maintenance, delivery or return of the equipment, and (iii) the equipment and any loss of or damage thereto, or any forfeiture, seizure, or impounding of, or charge or lien on the equipment. Each party undertakes promptly to give notice to the other of such claims against it or actions against it, and Lessee agrees not to settle any action without the consent of Lessor.

b. Lessee shall maintain third party liability insurance, cargo damage insurance, and all risk property loss and damage insurance (including General Average) with respect to all equipment covered hereunder. All such insurance shall be written by reputable underwriters and shall be in amounts and on terms which are satisfactory to Lessor. Lessee shall deliver certificates of insurance to Lessor evidencing the aforesaid coverages and naming Lessor as an additional insured and loss payee thereunder as its interests may appear.

10. SUBLEASING, DIRECT INTERCHANGING AND ASSIGNMENT

a. LESSEE SHALL NOT HAVE THE RIGHT TO ASSIGN THIS AGREEMENT OR TO ASSIGN, SUBLET, RENT, DIRECTLY INTERCHANGE OR OTHERWISE HIRE OUT OR PART WITH POSSESSION OF THE EQUIPMENT TO ANY OTHER PARTY (OTHER THAN TO THE CARE OF CONNECTING CARRIERS IN THE NORMAL COURSE OF LESSEE'S BUSINESS) WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR AND SUCH CONSENT OF LESSOR, IF GIVEN, SHALL NOT OPERATE TO RELIEVE LESSEE OF ANY OF ITS OBLIGATIONS HEREUNDER.

b. Lessor may delegate, assign, pledge or encumber in whole or in part this Agreement, the equipment, leased hereunder, and/or the rentals and other charges due with respect thereto. Lessee agrees to pay in full rentals and other charges as accrued to Lessor's assignee, regardless of any defenses, counterclaims or set-offs which Lessee might have against Lessor.

11. GENERAL

a. This agreement is binding upon the parties, their permitted successors and assigns and shall be construed and interpreted in accordance with the laws of the United States of America and, except where inconsistent therewith, with the laws of the State of California. With respect to any claim or controversy arising out of or relating to this agreement, the parties consent to the jurisdiction of the State and Federal Courts located in San Francisco, California, U.S.A.

b. The paragraph headings in this agreement are for convenience only and shall not be deemed to alter or affect any provision hereof.

c. The equipment furnished hereunder is provided to Lessee under a net lease contract. Lessee waives any and all existing and future defenses, set-offs, or counterclaims against rental charges or payments due to Lessor with respect to the equipment, irrespective of the rights which Lessee may have against Lessor or any other party.

d. Lessee agrees to supply on request from Lessor, equipment tracking reports produced in the regular course of Lessee's business showing the location of all equipment on lease to Lessee from Lessor.

e. Lessee agrees to supply audited financial statements on request to Lessor and Lessor agrees to keep such statements confidential.

f. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and may be amended, modified or changed only by an additional agreement in writing executed by the parties hereto. If Lessee fails, however, to give to Lessor written objection to its contents within seven (7) days after this Agreement is received or if Lessee takes possession of any of the equipment provided hereunder and retains it after receipt of this Agreement then this Agreement shall be effective and binding upon Lessee whether or not signed.

g. Any action by Lessee against Lessor for any default by Lessor under this Agreement, including breach of warranty or indemnity, shall be commenced within one (1) year after any such cause of action accrues.

CAI-INTERPOOL, LLC

CON-GEN (Rev. 8/02)

**EXHIBIT A-5 TO THE
MANAGEMENT AGREEMENT
AMONG
P&R EQUIPMENT AND FINANCE CORP,
CONTAINER APPLICATIONS INTERNATIONAL, INCORPORATED, AND
INTERPOOL CONTAINERS LIMITED**

OPERATING LEASE—CAI

CONTAINER APPLICATIONS INTERNATIONAL, INC.
LONG TERM AGREEMENT,

(CONTRACT NUMBER: _____-_____)

This is a Long Term Agreement dated _____ between _____ ("Lessee") and Container Applications International, Inc., 550 Kearny Street, Suite 950, San Francisco, CA 94108, U.S.A. ("Lessor").

SCOPE OF AGREEMENT

This Agreement covers the leasing of _____ containers which conform to the standards set forth by ISO, TIR, CSC, and TCT (hereinafter referred to individually and collectively as "containers"), on the terms and conditions set forth below.

TERM

This Agreement shall be effective _____ and shall expire _____ years from the Lease Commencement Date ("LCD"). The LCD shall be defined as the first day of the month following the month in which the last container goes on lease to Lessee.

CONTAINER SUPPLY PROVISIONS

Commencing _____ and continuing through _____, Lessor agrees to lease containers to Lessee from Lessor in _____.

Execution by Lessor or its agent and Lessee or Lessee's agent of Lessor's Equipment Condition Reports with respect to each container leased hereunder shall constitute conclusive proof of delivery of such containers to Lessee, of redelivery of such containers to Lessor, and of the physical condition of the containers at the time of each such interchange.

CONTAINER REDELIVERY PROVISIONS

No container leased hereunder may be redelivered prior to the _____ anniversary of the LCD. Thereafter, Lessor agrees to accept redelivery of containers from Lessee at the following Lessor depot locations with the maximum monthly limitations as noted below:

Lessor Depot Location

Quantity

Containers may be redelivered to depot locations or in numbers other than those shown in Section .4a, provided that such locations, quantities and applicable drop-off charges are mutually agreed upon in writing by Lessor and Lessee before redelivery of any such containers.

RENTAL CHARGES

During the term of this Agreement, Lessee shall pay to Lessor a daily rental charge of US\$ _____ for each container leased hereunder. Lessee agrees to pay daily rental charges for all containers covered under this Agreement from their respective dates of lease-out through the later of (i) the _____ anniversary of the LCD, or (ii) their respective dates of off-hire pursuant to the terms of this Agreement.

HANDLING CHARGES

Lessee shall pay Lessor a handling-out charge and a handling-in charge of US\$_____ for each 20' container and US\$_____ for each 40' container covered under the terms of this Agreement. Such charges shall be invoiced by Lessor directly to Lessee in accordance with Section 8, and are intended to cover the cost of standard lift-on or lift-off a truck, container inspection, and preparation of an Equipment Condition Report. Any additional costs assessed for lifting the containers on or off any conveyance other than truck, including, but not limited to, barge or rail, will be for the account of Lessee.

LEASING PROCEDURE

The terms and conditions set forth on Exhibit A are hereby incorporated into this Agreement and shall apply to all containers leased under this Agreement. In the event of any conflict between the terms set forth in Exhibit A and the terms of this Agreement, the latter shall prevail.

INVOICING PROCEDURE

Charges for all containers leased by Lessee under this Agreement will be invoiced monthly in US dollars to the following address:

Lessee agrees to pay all Lessor invoices in full within 30 days of invoice date. If any items on the invoices are disputed, Lessee will forward a list and explanation of the disputed items to Lessor's San Francisco office with payment in full. In turn, Lessor will undertake to reconcile these disputes within 60 days of receipt by either issuing credit or providing verification of correct billing or combination thereof. So long as Lessor acknowledges the dispute and is attempting in good faith to reconcile the disputed items, Lessee agrees not to withhold any money due Lessor which relates to such disputed items.

MAINTENANCE

Lessee shall at its own expense at all times maintain each container in good, safe and efficient working order and keep it fully and properly repaired.

DAMAGE PROCEDURE

Upon redelivery of a container to Lessor's authorized depot, if Lessor's Equipment Condition Report, executed by Lessor (or Lessor's local agent) and Lessee (or Lessee's local agent), shows the container to be in damaged condition, the following procedure will apply: If the container is found to be damaged, as defined by the Institute of International Container Lessors standards prevailing at the time of redelivery, Lessor or its authorized depot will

issue a repair estimate to the Lessee. Lessee shall have 10 working days from the date of redelivery (the "Authorization Period") to authorize the depot to proceed with said repairs as shown on the repair estimate for Lessee's account. If authorization is received within the Authorization Period, the container shall be retroactively off-hired on its redelivery date. If authorization is not received within the Authorization Period, Lessor reserves the right to continue daily rental charges through the date upon which the depot receives authorization to proceed with repairs as estimated for the Lessee's account. Lessee or its local agent agrees to pay all repair charges as billed by Lessor or its authorized depot within 30 days of the date of the invoice therefor.

TOTAL LOSS

In the event a container is lost, stolen, destroyed, or damaged beyond structural or economic repair so as to be rendered incapable of return to Lessor (an "Actual Total Loss"), Lessee shall give notice in writing to Lessor of such Actual Total Loss specifying the container number and providing proof of loss satisfactory to Lessor. Provided Lessee is in compliance with its obligations under this Agreement at the time notice of Actual Total Loss is received by Lessor, Lessor shall thereupon issue an invoice to Lessee for the Depreciated Casualty Value ("DCV") (as set forth in Subsection 11c) of the Actual Total Loss container. Provided that payment of the DCV is made to Lessor within 30 days of the invoice date, daily rental charges will retroactively terminate on the date of Lessor's receipt of such written notice. If payment is not received as aforesaid, daily rental charges shall continue to accrue until payment of the DCV is received by Lessor. Upon receipt of such payment accompanied by an appropriate request by Lessee, title to the Actual Total Loss container will be transferred to Lessee. Any taxes, duties or charges which become payable by virtue of the transfer of title to Lessee shall be for Lessee's account.

If Lessee has redelivered a container to Lessor, and Lessee has received a damage estimate in accordance with Section 10, Lessee may, within the Authorization Period, authorize repairs in accordance with the estimate or request that Lessor supply details of the DCV for such container. If Lessor determines that the extent of the damage so warrants (a "Constructive Total Loss"), and provided Lessee is in compliance with its obligations under this Agreement at the time Lessee's request for information on the DCV is received by Lessor, Lessor will furnish the DCV for such container, and Lessee shall have the option to pay either the estimated damages or the DCV. If Lessee elects the latter, Lessee shall give notice to Lessor of its election to declare Constructive Total Loss within 7 calendar days of receipt of the details of the DCV and Lessor will issue an invoice for the DCV of such Constructive Total Loss container. Provided that payment of the DCV is received by Lessor within 30 days of the date of invoice therefor, daily rental charges shall terminate on the date of redelivery of the Constructive Total Loss container. If payment is not received as aforesaid, daily rental charges shall continue to accrue until payment is received by Lessor. Unless otherwise elected by Lessor, title to the Constructive Total Loss container will remain with Lessor.

In calculating the DCV, the Casualty Value (as set forth below) of the container is depreciated down to a value not less than 50% of the Casualty Value. The depreciation is calculated on a straight line basis using a 15 year life span for the container with a 15% residual value.

Container Type

Casualty Value

Notwithstanding the provisions of Subsections 11 a and b, if Lessee is in default of its obligations under this Agreement, unless and until such default(s) has/have been cured in a timely manner or has/have been waived in writing by Lessor, Lessee shall be obligated to Lessor for the full Casualty Value of all Actual Total Loss containers under Subsection 11 a, and shall be liable to Lessor, in Lessee's option, for either estimated repair costs or full Casualty Value of Constructive Total Loss containers under Subsection 11 b.

INSURANCE

Without prejudice to any other obligations of Lessee under this Agreement, Lessee shall, at its own expense, obtain and continuously maintain in effect while any containers remain on lease to Lessee, insurance policies adequately insuring the containers against all risks of loss or damage, cargo damage and liability to third parties. All such insurance shall be underwritten by reputable underwriters and shall name Lessor as an additional insured and loss payee thereunder as its interests may appear. Lessee agrees to indemnify and hold Lessor harmless from and against all liability to third parties, damage to and/or replacement costs of and/or expenses (including, without limitation, expenses in prosecuting or defending any claim or suit) with respect to the containers, and deductibles and coinsurance obligations under the policies required to be provided by Lessee under this Section.

EXCLUSION OF WARRANTIES AND INDEMNITY

THE CONTAINERS ARE LEASED AS IS. PROVIDED THAT LESSEE COMPLIES FULLY WITH ITS OBLIGATIONS UNDER THIS AGREEMENT, LESSOR WARRANTS THAT LESSEE SHALL HAVE QUIET POSSESSION OF THE CONTAINERS. SAVE AS AFORESAID, NO REPRESENTATIONS OR WARRANTIES WHATSOEVER OF ANY KIND HAVE BEEN GIVEN BY LESSOR IN RELATION TO THE CONTAINERS; AND ALL REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, WHETHER IN RELATION TO THE FITNESS OF THE CONTAINERS FOR ANY PARTICULAR PURPOSE OR COUNTRY, OR WHETHER IN RELATION TO MERCHANTABILITY OR AS TO DESCRIPTION, STATE, QUALITY, OR CONDITION OF THE CONTAINERS AT DELIVERY OR AT ANY OTHER TIME ARE HEREBY WAIVED, EXCLUDED AND EXTINGUISHED.

Lessee shall indemnify and hold Lessor harmless from all liability, damage, cost or expense, including, without limitation, expenses in prosecuting or defending any claim or suit such as attorney's fees, court costs and other expenses arising out of (i) any failure of Lessee to comply with its obligations under this Agreement; (ii)

any claim, whether private or governmental, for personal injury or death, or for loss of or damage to person, property, cargo or vessels arising out of or incident to the ownership, selection, possession, leasing, operation, control, use, storage, loading, unloading, moving, maintenance, delivery, or return of the containers, and

(iii) the containers and any forfeiture, seizure, or impounding of, or charge or lien thereon, and any loss thereof or damage thereto. Each party undertakes promptly to give notice to the other of claims against it or action against it with respect thereto, and Lessee agrees not to settle any action without the consent of Lessor. Lessee agrees to assume, on behalf of Lessor, the defense of any action or proceeding which may be brought by any third party against Lessor and to pay all costs and expenses of whatever nature in connection therewith, and to pay on behalf of Lessor the amount of any judgment or award that may be entered against Lessor with respect thereto.

EXPIRATION

Commencing the first day of the _____ month following the expiration of this Agreement, the daily rental charge for each container then on lease under this Agreement shall increase to US\$_____. Except in regard to daily rental charges, all other terms and conditions of this Agreement shall continue with respect to all containers on lease to Lessee on the date of expiration until all such containers are redelivered to Lessor.

Please indicate your acceptance and agreement to the foregoing by signing and returning three copies of this Agreement to Lessor. Upon Lessor's receipt and execution of said copies, the Agreement shall constitute a binding agreement between Lessor and Lessee, and one copy will be promptly returned for your files.

LESSEE

CONTAINER APPLICATIONS INTERNATIONAL, INC.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A
GENERAL TERMS AND CONDITIONS

1. DELIVERY OF EQUIPMENT

By execution of each ECR with respect to each item of equipment delivered to Lessee under this Agreement, Lessee conclusively acknowledges receipt thereof in good and leasable condition. Lessee agrees to return such equipment to Lessor in as good condition as received from Lessor, normal wear and deterioration excepted, and to execute Lessor's ECR upon redelivery to Lessor identifying and acknowledging any changes in the condition of the equipment while on lease to Lessee. Any changes in the equipment which could have been prevented by normal maintenance shall not constitute normal wear and deterioration and shall be deemed to be damage.

2. RENTAL AND OTHER CHARGES

(a) Lessee agrees to pay rental charges for the equipment in the amount(s) set forth in this Agreement from this day such equipment is delivered and/or interchanged to Lessee until the day such equipment is returned to Lessor. However, if the equipment is not returned in good condition, Lessee agrees to pay for the cost of any necessary repairs together with rental charges through the date such repairs are approved by Lessee. Further, in the event no fixed lease term is specified for the equipment, Lessor may, upon written notice to Lessee, (i) prospectively adjust the initial rental charges to Lessor's then current average spot lease rate for such equipment on or after the 18 month anniversary of the lease out date of such equipment, or (ii) require that Lessee redeliver the equipment within 30 days of such notice in accordance with the redelivery provisions set forth herein. In the event a fixed lease term is specified for the equipment, Lessor may (unless otherwise provided elsewhere in this Agreement), upon written notice to Lessee (i) prospectively adjust the rental charges for such equipment to Lessor's then current average spot lease rate for such equipment on or after the 6 month anniversary of the expiration of the fixed term, or (ii) require that Lessee redeliver the equipment within 30 days of such notice in accordance with the redelivery provisions set forth herein.

(b) Lessee shall return all equipment to Lessor's terminal at the point(s) of termination designated herein or, if no point(s) of termination have been so specified, to the locations specified in writing by the Lessor to Lessee. Furthermore, upon such redelivery Lessee agrees to pay Lessor the applicable equipment drop-off charge(s) shown herein, or, if no such charges are specified herein, the applicable drop-off charges contained in Lessor's current drop-off charge schedule. Lessor may close any redelivery location(s) specified herein or reduce the monthly redelivery limits specified for any such depot location(s) with immediate effect by giving written notice thereof to Lessee if such closure(s) or quantity reduction(s) is/are due to circumstance beyond Lessor's control, including, but not limited to, changes in applicable law and/or natural disasters.

(c) All service charges incurred in transferring the equipment including, but not limited to, handling charges, transportation charges and chassis use fees, and all service charges imposed by any bank or other organization in connection with payment of monies due to Lessor, shall be for the account of Lessee.

(d) Unless otherwise indicated herein, all payments due to Lessor shall be payable in United States Dollars and shall be paid to Lessor within fifteen (15) days of the date

of Lessor's invoice(s), at the address for Lessor shown herein. In the event Lessor's invoice(s) is/are not paid when due, Lessor may, without prejudice to any other remedy it may have, charge, as additional rental, a service charge at the rate of the lessor of eighteen (18) percent per annum or the maximum amount permitted by applicable law, until the balance is paid in full.

(e) It is expressly understood and agreed that (i) equipment furnished to Lessee hereunder is necessary to and leased for use aboard vessels owned, operated, chartered and/or managed by Lessee for ocean transportation of goods and for land transportation incidental thereto, (ii) equipment furnished to Lessee hereunder is made available not only on the credit of the lessee but also on the credit of such vessels as aforesaid, and (iii) to the extent permitted by law, Lessor has and may assert maritime liens against such vessels for any breach of Lessee's obligations to Lessor with respect to such equipment as set forth in this Agreement.

3. RISK OF LOSS AND DAMAGE

Lessee is liable to Lessor for all damage to or loss or destruction of the equipment subsequent to its delivery to Lessee and prior to its return to Lessor except that caused by normal wear and deterioration. Normal wear and deterioration shall not include damage caused by forklifts or other handling equipment.

(a) DAMAGE. In the event Lessee fails to repair damage to the equipment prior to returning it to Lessor, Lessor or its authorized depot will present a repair estimate to Lessee or Lessee's local agent for approval. Lessee shall be liable to Lessor for the cost of such repairs and for rental charges for the equipment which shall continue until the day on which Lessee or its authorized agent approves the repairs as set forth in the estimate. Lessee will, at Lessor's request, make payment of repair costs directly to the appropriate repair company and pay any and all storage charges incurred as a result of Lessee's failure to approve repairs on a timely basis.

(b) LOSS OR TOTAL DAMAGE. In the event of loss, theft or destruction of the equipment (an "Event of Loss") or damage thereto which Lessor, in its sole discretion, shall determine is not structurally or economically repairable (an "Event of Constructive Loss"), rental charges for the affected equipment shall terminate (1) upon receipt by Lessor of written notice from Lessee of an Event of Loss, or (2) upon issuance by Lessor of a written notice to Lessee of an Event of Constructive Loss, provided in either event that payment of the Casualty Value for a like item of equipment (as set forth herein or in Lessor's then current Casualty Value Schedule) is made to Lessor within 30 days of such notice. If payment is not made within such 30 days, rental charges shall continue unabated until payment of the Casualty Value is received by Lessor. General payments by Lessee shall not be applied to charges for the Casualty Value of equipment unless so specified by Lessee. Further, if any equipment is subject to an Event of Loss or Event of Constructive Loss prior to the expiration of any fixed term specified for such equipment, Lessor shall have the right but not the obligation to supply a like item of equipment to Lessee, whereupon Lessee agrees either (1) to lease such substitute equipment, or (2) if Lessee elects not to lease the substitute equipment, to pay Lessor any shortfall between the historic rental charges for the original item of equipment and the contractual rental charges for said fixed term.

4. OPERATION, MAINTENANCE AND REPAIR

(a) Lessee shall use the equipment properly and shall, at its sole cost and expense, maintain the equipment in good repair and safe operating condition. Such maintenance

shall include but not be limited to the replacement of all badly worn or broken parts with new parts of equivalent design and material, as well as the abrasive cleaning, priming and top coating of all corroded areas on a routine, as needed basis. Lessee shall be liable for any repairs wrongly made or incompatible with the standards set forth in the Repair Manuals issued from time to time by the Institute of International Container Lessors. Lessee shall be responsible for all cleaning and decontamination costs with respect to equipment contaminated by cargo or otherwise and for removal of all debris and shoring from any containers leased hereunder prior to their return to Lessor. Lessee shall be liable for all costs and losses to Lessor arising out of Lessee's failure to repair or maintain the equipment in good condition. If the foregoing obligations are performed by Lessor, all expenses relating thereto will be for the account of Lessee.

(b) Lessee shall use the equipment in accordance with good operating practices and so as to comply with all loading limitations, handling procedures and operating instructions prescribed by the manufacturer(s) thereof and by Lessor, including, but not limited to, current Regulations and Recommendations of the International Organization of Standardization and applicable local regulations, and shall prevent usage which may damage or shorten the life of the equipment such as excessive impact and unbalanced loading. Lessee shall not use the equipment for storage or transportation of goods which could damage the equipment including, without limitation, unprotected corrosive substances, poorly secured materials or bulk commodities which may corrode, oxidize, severely dent, puncture, contaminate, stain or damage the equipment.

(c) Container(s) supplied hereunder shall be used solely in international trade unless the use thereof in domestic transportation of goods is expressly permitted elsewhere in this Agreement.

(d) Receipt or delivery of equipment or any other act by an agent or employee of, or independent contractor engaged by, Lessee shall be deemed to be the act of Lessee and shall be binding upon Lessee.

(e) Lessor's equipment is identified by appropriate lettering and numbering, which Lessee agrees not to change or obliterate. Notwithstanding the foregoing, at the written request of Lessor, Lessee shall change or supplement such marks as Lessor shall request. Lessee may, however, add other markings as may be required, provided that such additional markings will be removed and the surface of the equipment shall be in the same condition as prior to the addition of such markings when the equipment is redelivered to Lessor. If Lessee fails to remove such additional markings, Lessor shall remove such markings at Lessee's cost.

(f) Lessee shall be responsible for the cost of removal of any intentional or unintentional amendments, alterations, or modifications made to the equipment and for returning the equipment to the same condition in which it was originally received by Lessee.

(g) Lessee shall at its expense comply with all laws, regulations and orders which in any way affect the equipment or its use, operation or storage. Lessor shall have no responsibility for compliance with any such laws, regulations or orders, including, without limitation, all such laws, regulations or orders as may relate to customs, transportation, handling, safety and labor regulation.

(h) Lessee shall at its expense comply with all rules and practices of ports, depots, storage areas and transportation companies consistent with the other requirements of this Section 4.

(i) Lessor shall deliver containers to Lessee which fully comply with the rules and standards of the International Convention for Safe Containers ("CSC"). Such containers shall have affixed CSC plates or CSC plates with an ACEP (Approved Continuous Examination Program) mark. It shall be the obligation of Lessee to comply with the CSC in all respects and Lessee shall have and exercise Lessor's responsibilities under the CSC including, without limitation, plating (design-type approval to be obtained and plates to be provided by Lessor), maintenance, examination, re-examination and marking of each container. Such examination or re-examination shall be performed in accordance with the Rules and Regulations for the Safety Approval of Cargo Containers of the United States Department of Transportation. Lessee shall also comply with the Customs Conventions on Containers, 1956 and 1972, including, without limitation, all obligations of the operator relating to temporary admission, transport of goods under customs seal, maintenance of records and reporting to governmental authorities.

5. DEFAULT, REMEDIES UPON DEFAULT

(a) Should Lessee (i) default in the timely payment of any sum due to Lessor with respect to the equipment, or (ii) default in the performance of its other obligations with respect to the equipment hereunder or under any other lease contract(s) made between Lessor and Lessee, or (iii) suffer any distress, execution or other legal process which has the effect of a levy on any of the equipment leased hereunder or thereunder, or (iv) cease doing business as a going concern, become insolvent, commit an act of bankruptcy, or become the subject of any proceeding under any applicable Bankruptcy Act, or (v) be seized or nationalized or should any of Lessee's assets be seized by a government or government instrumentality; then Lessor may without notice and without relieving Lessee of its obligations hereunder, terminate the leasing of the equipment, involve the default provisions hereof and/or of any other leases made between Lessor and Lessee, declare the balance of all rental accrued and to be accrued hereunder and thereunder to be due and payable, demand and retake possession of the equipment and all other equipment leased by Lessor to Lessee free of any claims of Lessee, assert maritime or other liens against Lessee's property wherever it may be found, and exercise any other right or remedy available to Lessor under applicable law. In the event Lessor terminates the leasing of equipment or invokes the aforesaid default remedies, Lessee shall no longer be in possession of Lessor's equipment with Lessor's consent, and the rental payable therefor shall immediately increase to the spot lease rates charged by Lessor for like type equipment at the time of default. Lessee shall immediately notify Lessor of the exact location of the equipment. If Lessee fails to redeliver such equipment to Lessor within twenty days of Lessor's demand for redelivery, Lessor may retake possession of any or all of its equipment in the possession of Lessee, and for such purpose may enter upon any premises belonging to or in the occupation or control of Lessee. LESSEE HEREBY WAIVES ANY AND ALL RIGHTS TO A JUDICIAL HEARING PRIOR TO LESSOR'S REPOSSESSION OF THE EQUIPMENT.

(b) Lessee shall continue to pay rental charges for equipment until (i) the equipment is returned to Lessor in as good condition as received, normal wear and deterioration excepted, or (ii) the equipment is repaired and fit for subsequent rental, or (iii) settlement for the equipment is made. In the event Lessor retakes possession of all or any part of the equipment, Lessee authorizes Lessor to take possession of any property in, on, or attached to such equipment

which is not the property of Lessor, and without liability for its care or safekeeping, to place such property in storage at the risk and expense of Lessee. Lessee further agrees to pay Lessor upon demand the Casualty Value of any equipment which has not been returned within the foregoing twenty day period. Upon such return or repossession of the equipment, Lessee will pay immediately to Lessor, as liquidated damages for loss of a bargain, which the parties agree are fair and reasonable under the circumstances existing at the time this Agreement is entered into, and not as a penalty, and in lieu of any further payments of rent for the equipment, the following: (aa) all rent and other amounts due for such equipment as of such date of return or repossession, (bb) an additional payment of three month's rent for the equipment to compensate Lessor for the reasonable estimate of the time and expense required to locate a new Lessee, for the equipment (the "Remarketing Period"), (cc) an amount equal to the present value of the difference between the total remaining rental payments for the unexpired minimum lease term, if any, (commencing at the end of the Remarketing Period) and the fair market rent for the same period discounted at a rate per annum equal to the discount rate for 13-week Treasury Bills as of the date on which the equipment is returned or repossessed (as such rate is reported in the Money Rates column in the Wall Street Journal), and (dd) any and all incidental damages suffered by Lessor as a result of Lessee's default, less any expenses saved by Lessor in consequence of the default.

(c) Without in any way limiting the obligations of Lessee hereunder, Lessee hereby irrevocably appoints Lessor as the agent and attorney-in-fact of Lessee, with full power and authority at any time that Lessee is obligated to deliver possession of any equipment to Lessor, to demand and take possession of such equipment in the name and on behalf of Lessee from whomsoever shall be at the time in possession of such equipment.

(d) Lessee hereby irrevocably waives any immunity from jurisdiction to which it might otherwise be entitled (including but not limited to any immunity afforded to Lessee by the United States Foreign Sovereign Immunities Act or any similar legislations, rules or regulations of any other countries having applicability to Lessee) in any action arising out of or relating to the equipment or to this Agreement which may be instituted in any court or arbitration proceedings in or outside of the United States of America. Lessee further irrevocably waives any immunity from the execution or enforcement of any judgment obtained in any legal action or arbitration proceeding worldwide.

(e) Termination of the leasing of the equipment as a result of Lessee's default shall not relieve Lessee of any liabilities or obligations to Lessor accrued prior to such default and Lessee shall in any event remain fully liable for reasonable damages as provided by law, and for all costs and expenses incurred by Lessor on account of such default including all cost of recovering equipment, legal costs and reasonable attorney's fees. Nothing in this paragraph shall be construed to waive any remedy or relief available to Lessor hereunder, in equity, in admiralty, or at law upon the occurrence of any event set forth in this section.

(f) Any forbearance by Lessor to enforce its rights hereunder in the event of a default by Lessee shall not constitute a waiver of Lessor's rights, nor shall said forbearance waive Lessor's rights with respect to any other failure by Lessee to comply strictly with its obligations to Lessor.

6. LIMITATION OF WARRANTIES

(a) THIS EQUIPMENT IS LEASED AS IS. PROVIDED THAT LESSEE COMPLIES FULLY WITH ITS OBLIGATIONS UNDER THIS AGREEMENT, LESSOR

WARRANTS THAT LESSEE SHALL HAVE QUIET POSSESSION OF THE EQUIPMENT, SAVE AS AFORESAID NO REPRESENTATIONS OR WARRANTIES WHATSOEVER OF ANY KIND HAVE BEEN OR ARE GIVEN BY LESSOR IN RELATION TO THE EQUIPMENT, AND ALL REPRESENTATIONS AND WARRANTIES WHETHER EXPRESS OR IMPLIED, WHETHER IN RELATION TO THE FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE OR COUNTRY, OR WHETHER IN RELATION TO MERCHANTABILITY OR AS TO DESCRIPTION, STATE, QUALITY, OR CONDITION OF THE EQUIPMENT AT DELIVERY OR AT ANY OTHER TIME ARE HEREBY WAIVED, EXCLUDED AND EXTINGUISHED.

(b) LESSEE'S OBLIGATIONS UNDER THIS AGREEMENT ARE ABSOLUTE AND SHALL NOT BE AFFECTED BY ANY CIRCUMSTANCE OR EVENT BEYOND LESSEE'S CONTROL OF WHATEVER NATURE.

(c) Lessee will not suffer to be created, nor permit to be continued, nor fail to discharge, any lien or encumbrance incurred by Lessee or its agents against the equipment covered hereunder, nor shall Lessee or its agents procure any document of title which might at any time encumber the owner's title to or infringe upon Lessor's possessory rights to the equipment at expiration or earlier termination of the leasing thereof to the Lessee.

7. NOTICES

All billings, payments and written notices from either party to the other shall be given to the addresses shown herein, to Lessee's local agent, or to such other address as may be designated in writing by either party from time to time and shall be deemed to have been received upon delivery to the party to whom they are directed.

8. TAXES, FEES AND FINES

(a) Lessee shall pay all taxes (other than taxes on Lessor's net income) and charges levied on the equipment or in connection with the use, storage, operation or possession by Lessee of the equipment or levied against or based upon the amount of rentals paid or to be paid with respect thereto, or any other taxes levied against or based upon the leasing thereof to Lessee or subsequent to delivery to Lessee, including, without limitation, property, sales, use and excise taxes, duties, customs tariffs and impositions of federal, state, foreign and local governments and agencies. Taxes, duties, charges etc. levied on the equipment due solely to the ownership therefor shall be for Lessor's account unless such taxes are assessed because of the presence of the equipment in a taxing jurisdiction as a result of Lessee's use of the equipment.

(b) Lessee shall pay all charges incurred in ports, depots, storage areas or otherwise arising out of the use of the equipment.

(c) Lessee is not entitled to claim any investment tax credits or depreciation deductions or any other tax benefits normally associated with ownership of any of the equipment covered hereunder, Lessee hereby warrants that it will not claim any such investment tax credits, depreciation deductions or other such tax benefits.

9. INDEMNITY

(a) Lessee shall indemnify and hold Lessor harmless from all liability, damage, cost and expenses (including, without limitation, expenses in prosecuting or defending any claim or suit such as attorney's fees, court costs and other expenses) arising out of (i) any

failure of Lessee to comply with its obligations hereunder, (ii) any claim whether private or governmental, for personal injury or death, and for loss of or damage to person, property, cargo or vessels arising out of or incident to the ownership, selection, possession, leasing, operation, control, use, storage, loading, unloading, moving, maintenance, delivery or return of the equipment, and (iii) the equipment and any loss of or damage thereto, or any forfeiture, seizure, or impounding of, or charge or lien on the equipment. Each party undertakes promptly to give notice to the other of such claims against it or actions against it, and Lessee agrees not to settle any action without the consent of Lessor.

(b) Lessee shall maintain third party liability insurance, cargo damage insurance, and all risk property loss and damage insurance (including General Average) with respect to all equipment covered hereunder. All such insurance shall be written by reputable underwriters and shall be in amounts and on terms which are satisfactory to Lessor. Lessee shall deliver certificates of insurance to Lessor evidencing the aforesaid coverages and naming Lessor as an additional insured and loss payee thereunder as its interests may appear.

10. SUBLEASING, DIRECT INTERCHANGING AND ASSIGNMENT

(a) LESSEE SHALL NOT HAVE THE RIGHT TO ASSIGN THIS AGREEMENT OR TO ASSIGN, SUBLET, RENT, DIRECTLY INTERCHANGE OR OTHERWISE HIRE OUT OR PART WITH POSSESSION OF THE EQUIPMENT TO ANY OTHER PARTY (OTHER THAN TO THE CARE OF CONNECTING CARRIERS IN THE NORMAL COURSE OF LESSEE'S BUSINESS) WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR AND SUCH CONSENT OF LESSOR, IF GIVEN, SHALL NOT OPERATE TO RELIEVE LESSEE OF ANY OF ITS OBLIGATIONS HEREUNDER.

(b) Lessor may delegate, assign, pledge or encumber in whole or in part this Agreement, the equipment, leased hereunder, and/or the rentals and other charges due with respect thereto. Lessee agrees to pay in full rentals and other charges as accrued to Lessor's assignee, regardless of any defenses, counterclaims or set-offs which Lessee might have against Lessor.

11. GENERAL

(a) This agreement is binding upon the parties, their permitted successors and assigns and shall be construed and interpreted in accordance with the laws of the United States of America and, except where inconsistent therewith, with the laws of the State of California. With respect to any claim or controversy arising out of or relating to this agreement, the parties consent to the jurisdiction of the State and Federal Courts located in San Francisco, California, U.S.A.

(b) The paragraph headings in this agreement are for convenience only and shall not be deemed to alter or affect any provision hereof.

(c) The equipment furnished hereunder is provided to Lessee under a net lease contract. Lessee waives any and all existing and future defenses, set-offs, or counterclaims against rental charges or payments due to Lessor with respect to the equipment, irrespective of the rights which Lessee may have against Lessor or any other party.

(d) Lessee agrees to supply on request from Lessor, equipment tracking reports produced in the regular course of Lessee's business showing the location of all equipment on lease to Lessee from Lessor.

(e) Lessee agrees to supply audited financial statements on request to Lessor and Lessor agrees to keep such statements confidential.

(f) This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and may be amended, modified or changed only by an additional agreement in writing executed by the parties hereto. If Lessee fails, however, to give to Lessor written objection to its contents within seven (7) days after this Agreement is received or if Lessee takes possession of any of the equipment provided hereunder and retains it after receipt of this Agreement then this Agreement shall be effective and binding upon Lessee whether or not signed.

(g) Any action by Lessee against Lessor for any default by Lessor under this Agreement, including breach of warranty or indemnity, shall be commenced within one (1) year after any such cause of action accrues.

Container Applications International, Inc.

CON-GEN (Rev. 8/02)