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No.
Date
Fee $
(Filed pursuant to the Provisions of Section 20c Interstate Commerce Act)
ICC Washington, D.C.

RECORDATION NO. 16323-A FILED 1425

MAY 16 1989 -2 05 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION No. 16323-A

May 16, 1989

Ms. Noreta R. McGee
Secretary, Interstate Commerce
Commission
Washington, D.C.

Dear Ms. McGee:

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

This document is an amended lease, a primary document, dated as of May 3, 1989. The original lease was filed on May 9, 1989 and was assigned recordation number 16323. The enclosed amended lease supersedes the prior recorded lease.

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

Lessor:

The Connecticut National Bank
777 Main Street
Hartford, Connecticut 06115

Lessee:

Soltex Polymer Corporation
3333 Richmond Avenue
Houston, Texas 77098

MAY 16 1 53 PM '89
MOTOR OPERATING UNIT

A description of the equipment covered by the document follows: one hundred 5800 cu. ft. steel, covered hopper cars manufactured by Thrall Manufacturing Company, Serial Nos. ELTX 1700 through 1799.

A fee of $13.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to:

Leonard A. Potter, Esq.
Morgan, Lewis & Bockius
101 Park Avenue
New York, NY 10178

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

Lease Agreement between The Connecticut National Bank, as Trustee, as Lessor, and Soltex Polymer Corporation, as Lessee, dated as of May 3, 1989.

Very truly yours,

Leonard A. Potter

Leonard A. Potter, as
representative in fact of
The Connecticut National Bank

Interstate Commerce Commission
Washington, D.C. 20423

5.16.89

OFFICE OF THE SECRETARY

Leonard A. Potter,Esq
Morgan,Lewis & Bockius
101 Park Avenue
New York,N.Y. 10178

Dear: Sir

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5.16.89 , at 2:05pm , and assigned recordation number(s). 16323-A

Sincerely yours,

Noreta R. McGee

Noreta R. McGee
Secretary

Enclosure(s)

RECORDATION NO. 16333 A
FILED 1425
MAY 16 1989 -2 05 PM
INTERSTATE COMMERCE COMMISSION

AMENDED JB MASTER EQUIPMENT LEASE AGREEMENT

Dated as of May 3, 1989

Between

THE CONNECTICUT NATIONAL BANK
(Lessor)

and

SOLTEX POLYMER CORPORATION
(Lessee)

To the extent this Lease constitutes chattel paper within the meaning of any applicable Uniform Commercial Code provision, only the counterpart hereof marked "original" shall be deemed chattel paper and all other counterparts shall be deemed and marked "duplicates".

No. 1989-1

MASTER EQUIPMENT LEASE AGREEMENT

Lease Agreement made as of this 3rd day of May, 1989, between THE CONNECTICUT NATIONAL BANK, a national banking association, having its principal place of business located at 777 Main Street, Hartford, Connecticut, not in its individual capacity but solely as the trustee ("Lessor") under the Trust Agreement dated as of May 3, 1989 (the "Trust Agreement") for the benefit of CONNELL FINANCE COMPANY, INC., a New Jersey corporation, and its successors and assigns (the "Trustor"), and SOLTEX POLYMER CORPORATION ("Lessee") having its principal place of business located at 3333 Richmond Avenue, Houston, Texas 77098.

1. LEASE AGREEMENT: Lessor hereby leases to Lessee and Lessee hereby rents from Lessor all the machinery, equipment and other personal property ("Equipment") described in the Equipment lease schedule which has been executed by Lessor and Lessee and attached hereto and incorporated herein by reference (the "First Schedule") upon the terms and conditions set forth in the First Schedule. Lessor and Lessee also hereby agree that no later than September 30, 1989, subject to the conditions set forth herein, Lessor will lease to Lessee and Lessee will rent from Lessor all the Equipment described in a second Equipment lease schedule executed by Lessor and Lessee and attached hereto and incorporated herein by reference (the "Second Schedule", and, together with the First Schedule, the "Schedules") upon the terms and conditions set forth in the Second Schedule. All of the terms and conditions of this Lease shall govern the rights and obligations of Lessor and Lessee except as specifically modified in writing. Whenever reference is made herein to "this Lease" it shall be deemed to include each of the Schedules identifying all items of Equipment, all of which constitute one undivided lease of the Equipment, and the terms and conditions of which are incorporated herein by reference.

2. CONDITIONS PRECEDENT: (a) The obligation of Lessor to lease any of the Equipment to Lessee hereunder shall be subject, on or as of the acceptance date for such Equipment, to (i) Lessee's acceptance of such Equipment, as evidenced by Lessor's receipt of an acceptance certificate in form and substance acceptable to Lessor with respect thereto; (ii) Lessee's execution and delivery, at Lessee's expense, of such documents as Lessor may reasonably deem to be necessary or desirable (each in form and substance satisfactory to Lessor), including, without limitation, an opinion of Lessee's counsel, a certificate(s) of officers of Lessee, Uniform Commercial Code financing statements

and other filings and publications as may be appropriate with respect to Lessor's interest in the Equipment including filings with the United States Interstate Commerce Commission; (iii) there not having occurred, since the date of the most recent financial statements for Lessee delivered to Lessor pursuant to Section 5 hereof, any material adverse change in the financial condition of Lessee or in Lessee's ability to perform its obligations hereunder; (iv) there having occurred no change in applicable law that would have a material adverse impact on the transactions contemplated by this Lease (unless Lessor and Lessee shall have agreed upon appropriate adjustments and indemnities to compensate for such change); (v) Lessee's representations and warranties contained in this Lease being true and accurate as if made on and as of such date, and Lessee's having performed and complied with all of its covenants and obligations hereunder and under any purchase agreement; (vi) receipt of Lessor of full warranty bills of sale for the Equipment from the manufacturer thereof; and (vii) no Event of Default having occurred hereunder.

3. REPRESENTATIONS AND WARRANTIES: Lessee represents and warrants that:

(a) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; has all requisite corporate power and authority and all material licenses and permits to own and operate its respective properties and to carry on its business as now conducted; and is duly licensed or qualified and is in good standing as a foreign corporation in the State of Texas. Lessee's office and production facilities and at least 90% of Lessee's tangible assets are located within the State of Texas.

(b) This Lease and each other agreement related to the lease of Equipment contemplated hereby to which Lessee is a party (the "Operative Agreements") have been duly authorized, executed and delivered by Lessee and constitute the legal, valid and binding obligations of Lessee enforceable against Lessee in accordance with their respective terms, subject as to enforceability to bankruptcy, reorganization, insolvency and similar laws affecting the enforcement of creditors' rights generally and except as such enforcement may be limited by general principles of equity.

(c)(i) The consolidated balance sheet of Lessee and its subsidiaries as of December 31, 1988 and the consolidated statement of income and retained income for the fiscal year ended on said date and (ii) the consolidated balance sheet and statement of income and retained income of Lessee and the subsidiaries as of the end of and for each subsequent quarterly period have been delivered to Lessor and have been prepared in accordance with generally accepted accounting principles consistently applied (subject, in the case of quarterly periods,

to year-end adjustments), are correct in all material respects and present fairly the financial position of Lessee and its subsidiaries on a consolidated basis as of such date and the results of operations of Lessee and it subsidiaries on a consolidated basis for such period.

(d) There is no fact which Lessee has not disclosed to Lessor in writing which materially affects adversely nor, so far as Lessee can now foresee, will materially affect adversely the properties, business, prospects or condition (financial or otherwise) of Lessee and its subsidiaries.

(e) There are no proceedings pending or, to the knowledge of Lessee, threatened against or affecting Lessee or any of its subsidiaries in any court or before any governmental authority or arbitration board or tribunal which concerns the Equipment, this Lease, any of the Operative Agreements or the lease of Equipment contemplated hereby or which, if adversely determined, would materially and adversely affect Lessee's ability to perform its obligations under any of the Operative Agreements. Lessee is not in default with respect to any material order of any court or governmental authority or arbitration board or tribunal.

(f) The execution and delivery by Lessee of each of the Operative Agreements and compliance by Lessee with all of the provisions of said instruments (i) are within the corporate powers of Lessee and (ii) will not violate any provisions of any law, rule or regulation or any order of any court or governmental authority or agency and will not conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under the Articles of Incorporation or By-Laws of Lessee or any indenture, mortgage, conditional sale, loan or credit agreement or other instrument to which Lessee is a party or by which it may be bound or result in the imposition of any liens or encumbrances on any property of Lessee.

(g) No Event of Default as defined in this Lease has occurred and is continuing and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute an Event of Default as herein defined. Neither Lessee nor any of its subsidiaries is in default in the payment of principal of or interest on any indebtedness for borrowed money and no material default by Lessee or any of its subsidiaries (which default cannot be cured within any applicable grace period) has occurred under any instrument or agreement pursuant to which any indebtedness for borrowed money in excess of $1,000,000 has been issued.

(h) No consent, approval or authorization of any governmental authority is required on the part of Lessee in connection with the execution and delivery and performance of any

of the Operative Agreements and Lessee has complied with all applicable provisions of law requiring the designation, declaration, filing, registration and/or qualification with any governmental authority in connection with the execution and delivery and performance of said instruments.

(i) To the knowledge of the Lessee, all Federal, State and Foreign income tax returns required to be filed by Lessee have, in fact, been filed, and all taxes which are shown to be due and payable in such returns have been paid. No material controversy in respect of additional income taxes due is pending or, to the knowledge of Lessee, threatened, which controversy if determined adversely would materially and adversely affect Lessee's ability to perform its obligations under any of the Operative Agreements. The provision for taxes on the books of Lessee is, in the reasonable judgment of the Lessee, adequate for all open years, and for its current fiscal period.

4. TERM: The obligations under this Lease shall commence upon the written acceptance thereof by Lessor and shall end upon full performance and observance of each and every term, conditions and covenant set forth in this Lease, each Schedule thereto and any extensions thereof. The rental term of the Equipment listed in each Schedule shall commence as stated on the Schedules and shall terminate on the last day of the term stated in such Schedule unless such Schedule has been extended or otherwise modified in writing and signed by Lessor and Lessee. Lessor, at its option, may terminate any Schedule as to which the Equipment listed therein has not been delivered to Lessee prior to September 30, 1989.

5. FINANCIAL STATEMENTS: Lessee agrees that it will furnish directly to Lessor, the Trustor and any Collateral Assignee (as defined in Paragraph 23 hereof) the following:

(a) As soon as available and in any event within 60 days after the end of each quarterly period, except the last, of each fiscal year, a consolidated balance sheet of Lessee as at the end of such period and a consolidated statement of income and retained income of Lessee for the period beginning on the first day of such fiscal year and ending on the date of such balance sheet, the consolidated income statement setting forth, for each fiscal year following the fiscal year ending in 1989, the corresponding figures for the corresponding period of the preceding fiscal year, each prepared in accordance with generally accepted accounting principles (subject to year-end adjustments) and certified by the principal financial officer of Lessee;

(b) As soon as available and in any event within 120 days after the last day of each fiscal year (or 150 days with respect to the fiscal year ended December 31, 1988), a copy of Lessee's consolidated balance sheet, consolidated income

statement and consolidated statement of retained income setting forth, for each fiscal year following the fiscal year ending in 1989, the corresponding figures for the corresponding period of the preceding fiscal year, which statement will have been prepared in accordance with generally accepted accounting principles and certified by a firm of independent public accountants of recognized national standing selected by Lessee;

(c) Within the period provided in subparagraph (b) above, a certificate, signed by the principal financial officer of Lessee, to the effect that the signer thereof is familiar with the terms and provisions of the Lease and that at the date of said certificate is not aware of any default in compliance by Lessee with any of the covenants, terms and provisions of the Lease or the other Operative Agreements, or if the signer is aware of any such default, he shall disclose in such certificate the nature thereof and the nature of the action Lessee is taking or proposes to take with respect thereto.

6. RENTAL PAYMENTS: The rent for the Equipment described in each Schedule shall be due and payable on the dates set forth therein, or if not a business day, on the next preceding business day. Rent payments due or accrued prior to October 30, 1989 shall be paid in accordance with the directions of the Lessor. Rent payments that are due during the period commencing October 30, 1989 and ending April 29, 2005 shall be paid (i) one-half to Chemical Bank, Institutional Custody Department, 55 Water Street, North Building, 3rd Floor, New York, New York 10041, for credit to Massachusetts Mutual Life Insurance Company's account IPL Traditional, account number 321-029-856 and (ii) one-half to Citibank, N.A., 20 Exchange Place, New York, New York 10005, for credit to Massachusetts Mutual Life Insurance Company's account, Massachusetts Mutual SPC account number 3890-4953, or at such other office(s) as Lessor may designate. Rent payments for the period commencing April 30, 1989 until the expiration of the Lease, including any renewal term, shall be paid to Morgan Guaranty Trust Company of New York, 60 Wall Street, New York, New York, Connell Finance Account No. 013-12-227 attention: Thomas Srednicki, or at such office as Lessor may otherwise designate. All rent payments shall be made by wire transfer of immediately available funds. The receipt of any check or other item on account of any rental payment will not be considered as payment thereof until such check or other item is honored when presented for payment.

7. DELIVERY AND INSTALLATION: Lessee will select the type, quantity and supplier of each item of Equipment designated in the appropriate Schedule and in reliance thereon Lessor will accept an assignment of any existing purchase order therefor. Lessor shall have no liability for any delivery or failure by the supplier to fill the purchase order or meet the conditions thereof. Lessee at its expense, will pay all transportation,

packing, taxes, duties, insurance, installation, testing and other charges in connection with the delivery, installation and use of the Equipment.

8. WARRANTIES: LESSOR, NOT BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT INCLUDING BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE; THE DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE WORKMANSHIP IN THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENT OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS. Lessee accordingly agrees not to assert any claim whatsoever against Lessor based thereon. Lessee further agrees, regardless of cause, not to assert any claim whatsoever against Lessor for loss of anticipatory profits or consequential damages. Lessor shall have no obligation to install, erect, test, adjust, service, or maintain the Equipment. Lessee shall look to the manufacturer and/or seller for any claims related to the Equipment.

NOTWITHSTANDING THE FOREGOING, LESSEE'S OBLIGATIONS TO PAY THE RENTALS OR OTHERWISE PERFORM UNDER THIS LEASE SHALL BE AND ARE ABSOLUTE AND UNCONDITIONAL AND SHALL BE MADE FREE OF ANY SET-OFF, COUNTERCLAIM, ABATEMENT OR REDUCTION EXCEPT AS PROVIDED IN PARAGRAPH 19; provided that the foregoing shall not prevent Lessee from bringing any separate cause of action against Lessor for any breach by Lessor of the terms hereof.

To the extent held by Lessee, Lessee hereby assigns all manufacturer's and/or seller's warranties with respect to the Equipment to Lessor. To the extent permitted by the manufacturer or seller, during the term that this Lease is in effect and provided Lessee is not in default hereunder, Lessor shall make available to Lessee all manufacturer's and/or seller's warranties with respect to the Equipment.

9. TITLE TO AND LOCATION OF EQUIPMENT: Title to each item of Equipment leased hereunder shall remain with Lessor at all times and Lessee shall have no right, title or interest therein except as expressly set forth in this Lease. Lessee, at its expense, will protect and defend Lessor's title to the Equipment and will keep the Equipment free and clear from any and all claims, liens, encumbrances and legal processes except for (i) those created by, through or under Lessor which are unrelated to the transactions contemplated hereby and (ii) liens granted by Lessor for the benefit of any Collateral Assignee. Lessor assumes no liability and makes no representation as to the treatment by Lessee of this Lease, the Equipment or the Rental Payments for financial statement or tax purposes.

All items of Equipment shall at all times be and remain personal property. The Equipment shall be delivered to the location specified in the Schedule with respect thereto. Lessee shall at all times display notice of Lessor's ownership of the Equipment by affixing to each item of Equipment an identifying stencil or plate stating "This car is owned and leased by The Connecticut National Bank, as Owner Trustee" and Lessee will not alter, deface, cover or remove such ownership identification.

10. USE OF EQUIPMENT, INSPECTION AND REPORTS: Lessee may possess and use the Equipment in accordance with this Lease, provided that any such use is in conformity with all applicable laws, any insurance policies, and any warranties of the manufacturer with respect to the Equipment. Lessee shall restrict use of the Equipment to the Continental United States and Canada. Lessor shall have the right, upon reasonable prior notice to Lessee and during Lessee's regular business hours, to inspect the Equipment at the premises of Lessee or to the extent reasonable wherever the Equipment may be located. Lessee shall promptly notify Lessor of all details arising out of any alleged encumbrances on the Equipment or any accident which may result in a claim against Lessor allegedly resulting from the use or operation thereof.

Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. Lessee shall not use the Equipment to transport any substance or other material designated in Section 172 or Section 173 of Title 49 of the Code of Federal Regulations, as it may be amended, or any successor provision thereto, and shall not modify or alter or make any additions or improvements to any Equipment in any manner which will decrease the value, utility or useful life of such Equipment; provided, that notwithstanding the foregoing, Lessee shall at all times be permitted to use the Equipment to transport thermoplastic polyolefin resins and vinyl polymers. Any parts installed or replacements made by Lessee upon any item of Equipment shall be considered accessions to such Equipment and title shall be immediately vested in Lessor at no cost or expense to Lessor, except, in the case of parts installed upon any Equipment which are not replacements, title shall remain with Lessee if (i) such parts are readily removable without damage to the Equipment, (ii) such parts are removed by Lessee at its sole cost and expense prior to the return of the Equipment to Lessor and (iii) such parts are not required by law to be attached.

11. OPERATING RULES AND REGULATIONS: Lessee agrees to comply with all local, state and Federal governmental laws, regulations and requirements relating to the operation and/or use of the Equipment, including the Interchange Rules and all other rules of the Association of American Railroads (or any successor thereto) and the Interstate Commerce Commission. In case any

equipment or appliance on any Equipment shall be required to be changed or replaced, or any additional or other equipment or appliance is required to be installed on such Equipment in order to comply with such laws, regulations, requirements and rules, Lessee agrees to make such changes, additions and replacements at its own expense and title thereto shall be immediately vested in Lessor.

12. FURTHER ASSURANCES: Lessee shall execute and deliver to Lessor upon Lessor's request such instruments and assurances and take such other actions as Lessor in the reasonable exercise of its discretion deems necessary or advisable for the confirmation or perfection of this Lease and Lessor's rights hereunder or for the effectuation of the intent hereof. In furtherance thereof, Lessor may file or record this Lease or a financing statement with respect thereto so as to give notice to any interested parties. Lessor is authorized to file a financing statement or a continuation statement concerning the Equipment signed only by Lessor in accordance with the Uniform Commercial Code or one signed by Lessor as Lessee's attorney-in-fact. Any such filing or recording shall not be deemed evidence of any intent to create a security interest under the Uniform Commercial Code.

13. RISKS OF LOSS: All risk of loss, damage, theft or destruction to each item of Equipment shall be borne by Lessee. No such loss, damage, requisition, condemnation, theft or destruction of the Equipment, in whole or in part, shall impair the obligations of Lessee under this Lease all of which shall continue in full force and effect and Lessee, at Lessor's option, shall either (a) place the affected Equipment in good repair, condition and working order or (b) if the affected Equipment is a total loss, pay Lessor on either of the two succeeding SLV Dates (as defined in Section 26) (at Lessee's option) the Stipulated Loss Value with respect to such affected Equipment (which Stipulated Loss Value shall be the amount determined in accordance with the applicable Schedule) <u>less</u> the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss, damage, theft or destruction. 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 right with respect to any insurance policies (other than under policies paid for by Lessor) or claims for reimbursement by others with respect to such loss, damage, theft or destruction.

14. INSURANCE:

a. <u>Public Liability and Property Damage Insurance</u>. Lessee represents and warrants that it will maintain in effect, at its own expense (i) public liability insurance with combined single limit coverage in an amount not less than the greater of

(a) $1,000,000.00 or (b) such other amounts as a reasonably prudent operator of similar equipment used in a similar manner to carry similar products would maintain and (ii) such other property damage liability insurance (exclusive of manufacturer's product liability insurance) with respect to the Equipment as is of the type and in the amount as specified in each Schedule. All insurance provided for in this section shall be effected with insurance companies similar to those insurers who customarily provide public liability insurance to Lessee's industry.

b. Insurance Against Loss or Damage to Equipment. Lessee represents and warrants that it will self insure for all-risk insurance covering the Equipment including fire and explosion, and lightning and electrical damage, provided that such insurance shall at all times while the Equipment is subject to this Lease be for an amount which, when paid, will be not less than the Stipulated Loss Value for the Equipment from time to time as set forth in each Schedule.

c. Lessor as Additional Insured; Notice. Any policies of insurance carried in accordance with this Section and any policies taken out in substitution or replacement for any such policies (i) shall be amended to name Lessor, in both its individual and trust capacities, as owner of the Equipment, the Trustor and the Collateral Assignee as additional named insureds thereunder, (ii) with respect to insurance carried in accordance with paragraph (b) covering the Equipment shall be made payable to the Collateral Assignee or, if none, to Lessor, as loss payee. Lessee shall furnish certificates to Lessor as proof of such insurance and shall provide for at least thirty (30) days written notice of cancellation to Lessor.

d. Primary Insurance; Breach of Warranty Coverage. The policies of insurance under paragraph (a) shall provide that such insurance shall be primary insurance and that the insurers thereunder shall be liable thereunder without right of contribution from any other insurance coverage effected by or on behalf of Lessor, the Trustor or the Collateral Assignee.

15. EXPENSES, FEES AND TAXES: In addition to the Rental Payments, Lessee shall pay promptly when due, all costs, expenses, fees, charges, levies, withholdings, and taxes (including sales, use, excise, personal property, ad valorem, value added, leasing, stamp and documentary) and any penalties, fines or interest required to be paid in connection therewith incurred in connection with the titling, licensing, registration, use, rental, shipment, transportation, delivery, purchase, ownership or operation of the Equipment, and on or relating to this Lease and any Schedule. In case any report or return is required to be filed with respect to any taxes, Lessee will, to the extent legally permissible, file such report or return or notify Lessor in writing to the extent Lessor must file

such report or return in sufficient time for Lessor to make such filing of the required report or return. Notwithstanding the foregoing, Lessor shall be responsible for any penalty, fine or similar charge payable as a result of the failure by Lessor to file a report or return, which has been prepared by Lessee, required to be filed by Lessor if such failure occurs after Lessor has been requested to do so by Lessee in a timely manner. All reports and returns filed by Lessee will be in Lessee's name and account number. To the extent reasonably requested by Lessor, Lessee will promptly supply Lessor a copy of such reports or returns. Lessee shall promptly reimburse Lessor for any taxes charged to or assessed against Lessor except for state or federal net income taxes or franchise taxes other than franchise taxes on gross revenues.

If Lessee should fail to pay any of the costs, expenses, fees, charges and taxes for which Lessee is liable hereunder, Lessor may, but shall not be required to pay the same for the account of Lessee. Lessee shall reimburse Lessor, upon demand, as additional rental hereunder, for the full amount of any costs, expenses, taxes or other charges paid by Lessor which constitute an obligation of Lessee hereunder. Lessee shall pay all fees and expenses of the Lessor, including without limitation, initial acceptance, annual and on-going fees and expenses and reasonable counsel fees and expenses.

16. LESSOR'S PERFORMANCE OF LESSEE'S OBLIGATIONS: If Lessee shall fail to duly and promptly perform any of its obligations under this Lease with respect to the Equipment, Lessor may (at its option) perform any act or make any payment which Lessor deems necessary for the maintenance and preservation of the Equipment and Lessor's title thereto, including payments for satisfaction of liens, repairs, taxes, levies and insurance and all sums so paid or incurred by Lessor, together with interest as provided below, and any reasonable legal fees incurred by Lessor in connection therewith shall be additional rent under this Lease and payable by Lessee to Lessor on demand. The performance of any act or payment by Lessor as aforesaid shall not be deemed a waiver or release of any obligation or default on the part of Lessee.

17. LATE CHARGES: Should Lessee fail to duly pay any part of any Rental Payment or other sum to be paid to Lessor under this Lease, then Lessee shall pay interest on such delinquent payment from the due date until paid at a rate of 12.54 percent per annum.

18. INDEMNIFICATION: Lessee assumes liability for, and hereby agrees to indemnify, protect and keep harmless Lessor, in both its individual and trust capacities, Trustor, any Collateral Assignee and their respective agents, employees, officers, directors, successors and assigns on an after tax basis

from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses, including reasonable attorney's fees, of whatsoever kind and nature, arising out of the use, condition (including, but not limited to, latent and other defects and whether or not discoverable), operation, ownership, selection, delivery, leasing or return of any item of Equipment, regardless of where, how and by whom operated, or any failure on the part of Lessee to perform or comply with any conditions of this Lease, the Trust Agreement or other Operative Agreements. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the expiration or other termination of this Lease. Lessee is an independent contractor and nothing contained in this Lease shall authorize Lessee or any other person to operate any item of Equipment so as to incur or impose any liability or obligation for or on behalf of Lessor or Trustor.

19. NO OFFSET: This Lease is a net lease and all Rental Payments shall be paid when due by Lessee irrespective of any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor, Trustor, the supplier of the Equipment, or any other party, except that the Lessee shall have a right of offset to the extent that Lessee's right of quiet enjoyment as provided for in Paragraph 32 hereof is interrupted by Lessor or any Collateral Assignee, unless such interruption occurs as a result of Lessee's failure to perform any of its obligations or covenants hereunder. This section shall not be construed so as to prohibit any separate action by Lessee against Lessor or Trustor with respect to any right or action arising out of or related to this Lease or the transactions contemplated hereby.

20. PURCHASE OPTION: Lessee shall have the option to purchase all but not less than all of the Equipment on all Schedules on the last day of the original term of this Lease, if Lessee is not in default under this Lease, upon Lessee's written notice to Lessor, at Lessor's address stated above, not earlier than 360 days nor later than 270 days prior to the end of the original lease term of this Lease. The purchase price shall be payable at the expiration of the original term. The purchase option price shall be the "Fair Market Value" ("FMV") for the Equipment and shall be determined on the basis of, and shall be equal in amount to, the value which one would obtain in an arm's-length transaction between an informed and willing buyer (other than a used equipment dealer) and an informed and willing seller under no compulsion to sell and, in such determination, costs of removal of Equipment from their location of current use shall not be a deduction from such value. In the event Lessee purchases Equipment, Lessee shall be responsible for all applicable sales tax. In the event the FMV is not agreed upon by Lessee and Lessor, it shall be determined, at Lessee's sole expense, by the

average of the two appraisals which are closest to the average of the independent appraisals of three parties, one of whom shall be selected by Lessee, one of whom shall be selected by Lessor and a third who shall be mutually selected by Lessee and Lessor.

21. RENEWAL: Lessee may, at its option, renew the lease term for not less than all Equipment covered by all Schedules at the Fair Market Value rental thereof by giving Lessor written notice not earlier than 270 days nor less than 180 days before the expiration of the original term or the end of any prior renewal thereof, provided that such renewal option is not exercisable if Lessee is in default under this Lease or has notified Lessor of its intent to purchase the Equipment under Paragraph 20 of the Lease. Upon such notification, the lease term for all Equipment shall be renewed for three years at the fair renewal rental, but the other provisions and conditions of this Lease shall continue unchanged. The Fair Market Value of such rental shall be determined on the basis of, and shall be equal in amount to, the value which one would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease. In the event the Fair Market Value is not agreed upon by Lessee and Lessor, it shall be determined, at Lessee's sole expense, by the average of the two appraisals which are closest to the average of the independent appraisals of three parties, one of whom shall be selected by Lessee, one of whom shall be selected by Lessor and a third who shall be mutually selected by Lessee and Lessor.

22. ASSIGNMENT BY LESSEE: Without Lessor's prior written consent, which shall not be unreasonably withheld, Lessee may not, by operation of law or otherwise, (a) assign, transfer, pledge, hypothecate or otherwise dispose of this Lease or any interest therein or (b) sublet or lend the Equipment or permit same to be used by anyone other than Lessee or Lessee's employees, provided, however, that Lessee may (i) allow the Equipment to be used for any shipment by a commercial carrier or (ii) trip lease the Equipment to its customers, in either event, in the normal course of Lessee's business. Except as permitted by the foregoing sentence or with the written consent of Lessor or if necessary for the repair or maintenance of the Equipment, Lessee agrees that it shall not part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment. Irrespective of any permitted sublease or trip lease, Lessee agrees to remain primarily liable to Lessor under all terms and conditions of this Lease.

23. ASSIGNMENT BY LESSOR: For the purpose of providing funds for financing the purchase of the Equipment or for any other purpose, Lessee agrees (a) that Lessor may assign, sell or encumber all or any other part of this Lease, the Equipment and the Rental Payments hereunder (any such assignee taking such

assignment as collateral being referred to as a "Collateral Assignee") and (b) in the event of any such assignment of Rental Payments hereunder and written notice thereof to Lessee, to unconditionally pay directly to any such assignee all rentals and other sums due or to become due under this Lease and (c) that the Equipment leased hereunder may be mortgaged by Lessor under a chattel mortgage. In any such event, the right, title and interest of the mortgagee under any such chattel mortgage shall by express terms of such chattel mortgage be subject to the leasehold interest of Lessee in and to the Equipment hereunder. THE RIGHTS OF ANY SUCH ASSIGNEE SHALL NOT BE SUBJECT TO ANY DEFENSE, COUNTERCLAIM OR SET OFF WHICH LESSEE MAY HAVE AGAINST LESSOR, TRUSTOR, MANUFACTURER OR ANY OTHER PERSON, EXCEPT AS PROVIDED IN PARAGRAPH 19. Notwithstanding the foregoing, any such assignment (a) shall be subject to Lessee's right to possess and use the Equipment so long as Lessee is not in default under this Lease and (b) shall not release any of Lessor's obligations hereunder or any claim which Lessee has against Lessor or Trustor. Lessor agrees that no such assignment, conveyance or transfer shall knowingly be made to any competitor, customer (or prospective customer, designated such in writing by Lessee) or supplier of Lessee without Lessee's consent. Lessee agrees to execute to any Collateral Assignee such consents and acknowledgements as are customary in such transactions.

24. MAINTENANCE, REPAIRS AND RETURN OF EQUIPMENT: Lessee shall, at no expense to Lessor, maintain the Equipment in good repair and operating condition, normal wear and tear excepted. Lessee shall assure that the Equipment complies with the applicable interchange standards set for such Equipment by the Association of American Railroads ("AAR"), the Equipment is in good operating order by industry standards and fit for the purposes for which they were designed, and satisfy the tests described below;

a. All damaged or broken parts will be repaired according to AAR Specifications;

b. Exterior sides will be free of rust and corrosion, except for minor surface rust, and will be painted according to a standard paint scheme, free of any and all advertising and notices other than receiving numbers and Lessee's corporate identification;

c. Equipment will conform to United States Department of Transportation regulations or those of any other government agency having jurisdiction over the use and operation of the Equipment;

d. Equipment will be returned with undercarriage systems, including any related trucks and rollers of a type, size and quality standard according to original manufacturing

specifications, and will be clean and in good repair and operating condition;

At Lessee's expense, Lessee shall provide written evidence from a mutually acceptable independent party that the Equipment returned meets the specifications above.

Any deficiencies determined by such inspection shall be the responsibility of Lessee.

Upon payment in full of all Rental Payments and all other sums due under this Lease for the Equipment described in any Schedule, unless Lessee shall have duly exercised any renewal or purchase option with respect thereto, Lessee will, at its expense, insure and deliver such items of Equipment to Lessor as provided in the next paragraph. In the Event of Default by Lessee under this Lease, Lessee will return all Equipment to Lessor in the same manner. All Equipment so delivered by Lessee to Lessor shall be returned to the designated location in the same condition as when first delivered to Lessee, reasonable wear and tear resulting from authorized use thereof alone excepted.

Should Lessor elect to take possession of the Equipment, Lessee shall deliver possession of such Equipment to Lessor and shall give prompt telegraphic and written notice to the Association of American Railroads and all railroads having possession of any Equipment so to return such Equipment. For the purpose of delivering possession of any Equipment to Lessor as required above, Lessee will, at its own expense and risk, at Lessor's request: (i) forthwith and in the usual manner cause such Equipment to be transported to the storage tracks of Lessee in Deer Park, Texas, and there assembled; (ii) furnish storage of or arrange for Lessor to store such equipment on Lessee's storage tracks until such Equipment has been sold, leased or otherwise disposed of by Lessor, such period not to exceed 30 days; and (iii) cause such Equipment to be transported to such interchange point or points as shall be designated by Lessor upon any sale, lease or other disposition of all or any of such Equipment. All movement to and storage of each piece of Equipment at Lessee's storage track is to be at the risk and expense of Lessee. Movement of the Equipment from Lessee's storage track shall be at the risk and expense of Lessor.

25. EVENTS OF DEFAULT: Lessee shall be in default under this Lease upon the happening of any of the following events or conditions ("Events of Default"):

a. Default by Lessee in payment of any installment of rent to Lessor under this Lease or otherwise and the continuance of such default for ten (10) consecutive days; or

b. Default by Lessee in payment or performance of any indebtedness, obligation, covenant or liability (except rent) contained in this Lease or any other agreement or document with Lessor and the continuance of such default for ten (10) consecutive days after written notice thereof by Lessor to Lessee; or

c. any material warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false in any material respect when made or furnished; or

d. loss, theft, damage, destruction, or the attempted sale or encumbrance by Lessee of any of the Equipment, or the making of any levy, seizure or attachment thereof or thereon; or

e. dissolution, termination of existence, discontinuance of its business, insolvency, business failure or appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by Lessee or the commencement of any proceedings under any voluntary bankruptcy, reorganization or arrangement laws by or against Lessee; or

f. in the event of an involuntary bankruptcy or the appointment of a receiver without Lessee's consent, such bankruptcy or appointment continues and is ongoing for a period of sixty (60) consecutive days.

26. REMEDIES OF LESSOR: Upon the occurrence of any Event of Default and at any time thereafter (subject to any applicable grace provisions) Lessor may without any further notice exercise one or more of the following remedies as Lessor in its sole discretion shall elect: (a) declare all unpaid rentals due and to become due under this Lease to be immediately due and payable; (b) terminate this Lease as to any or all items of Equipment; (c) take possession of the Equipment wherever found without any liability or suit, action or other proceeding by Lessor and remove the same; (d) cause Lessee at its expense to promptly return the Equipment to Lessor and in the condition set forth in Paragraph 24; (e) use, hold, sell, lease or otherwise dispose of the Equipment or any item thereof without affecting the obligations of Lessee as provided in this Lease; (f) sell or lease the Equipment or any part thereof, at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than ten (10) days prior to the date thereof shall constitute reasonable notice thereof to Lessee; (g) proceed by appropriate action either by law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; (h) exercise any and all rights accruing to a

Lessor under any applicable law upon a default by a lessee. In addition, Lessor shall be entitled to recover on any date set forth in Schedule B to the Lease Schedules (the "SLV Dates") as liquidated damages for loss of a bargain and not as a penalty an amount equal to the Stipulated Loss Value for the Equipment (determined in accordance with the applicable Schedule), together with interest as provided herein. After default, at the request of Lessor and to the extent requested by Lessor, Lessee shall comply with the provisions of Paragraph 24 of this Agreement. Lessor may, but shall not be required to, sell Equipment at private or public sale, in bulk or in parcels, with or without notice, without having the Equipment present at the place of sale; or Lessor may, but shall not be required to, lease, otherwise dispose of or keep idle all or part of the Equipment; and Lessor may use Lessee's premises for any or all of the foregoing without liability for rent, costs, damages or otherwise. The proceeds of sale, lease or other disposition, if any, shall be applied (1) to all Lessor's costs, charges and expenses incurred in taking, removing, holding, repairing and selling, leasing or otherwise disposing of Equipment; then (2) to the extent not previously paid by Lessee, to pay Lessor the liquidated damages described above and all other sums, including any unpaid rent and any indemnification then remaining unpaid thereon; then (3) to reimburse to Lessee any such sums previously paid by Lessee as liquidated damages; and then (4) any surplus shall be retained by Lessor; Lessee shall pay any deficiency in (1) and (2) forthwith. Should Lessor, however, estimate its actual damages in lieu of or in addition thereto, Lessor shall not be obligated to sell, lease or otherwise dispose of any item of repossessed Equipment hereunder if it would impair the sale, lease or other disposition of similar equipment in the ordinary course of Lessor's business or which was previously repossessed by Lessor from any party. None of the remedies under this Lease are intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor in law or in equity. Any repossession or subsequent sale or lease by Lessor of any item of Equipment shall not bar an action for a deficiency as herein provided, and the bringing of an action or the entry of judgment against Lessee shall not bar Lessor's right to repossess any or all items of Equipment. In no event shall Lessor be entitled to recover from Lessee more than the sum of (a) the liquidated damages, as defined above and (b) all of Lessor's costs, charges and expenses incurred in taking, removing, holding, repairing and selling, leasing or otherwise disposing of the Equipment.

27. SEVERABILITY: Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition and unenforceability without invalidating the remaining provisions hereof. To the extent permitted by applicable law,

Lessee hereby waives any provision of law which prohibits or renders unenforceable any provisions hereof in any respect.

28. NOTICES: Any notice or other communication given under this Lease shall be sent to the following address:

(a) If to Lessor at:

The Connecticut National Bank
777 Main Street
Hartford, Connecticut 06115
Attention: Corporate Trust Administration

with a copy to Trustor at:

Connell Finance Company, Inc.
45 Cardinal Drive
Westfield, N.J. 07090-1099

and to Lender at:

Massachusetts Mutual Life Insurance Company
Securities Investment Division, F455
1295 State Street
Springfield, MA 01111
Attention: Michael Klofas

(b) If to Lessee at:

Soltex Polymer Corporation
3333 Richmond Avenue
Houston, TX 77098
Attn: General Counsel

Any such notice or other communication shall, if not actually delivered prior thereto, be deemed to have been delivered five (5) business days after the date when it shall have been mailed by registered or certified mail, all charges prepaid. Notice or other communications transmitted in any other fashion shall not be deemed delivered until actually delivered at the address or party to which notices may be sent. Each party shall notify the other of a change of address for notices to the other party as herein provided.

29. AMENDMENTS AND WAIVERS: This instrument and the Schedules executed by Lessor and Lessee constitute the entire agreement between Lessor and Lessee with respect to the Equipment and the subject matter of this Lease. No term or provision of this Lease may be changed, waived, amended or terminated except by a written agreement signed by both Lessor and Lessee, except that Lessor may insert the serial number of any item of Equipment

on the appropriate Schedule after delivery thereof. No express or implied waiver by Lessor of any Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default whether similar in kind or otherwise.

30. CONSTRUCTION: **THIS LEASE SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CONNECTICUT.** The titles of the sections of this Lease are for convenience only and shall not define or limit any of the terms or provisions hereof. Time is of the essence of this Lease in each of its provisions.

31. PARTIES: The provisions of this Lease shall be binding upon, and inure to the benefit of, the assigns, representatives and successors of Lessor and Lessee. If there is more than one Lessee named in this Lease, the liability of each shall be joint and several.

32. LESSEE'S QUIET ENJOYMENT: So long as Lessee shall pay and perform all of its obligations and covenants hereunder, its quiet enjoyment of the Equipment shall not be disturbed by any party lawfully claiming by, through or under Lessor. By acceptance of any assignment of this Lease, any assignee hereof agrees, with and for the benefit of Lessee, that as long as Lessee shall perform all of its obligations and covenants hereunder, and notwithstanding any default of Lessor, Lessee's quiet enjoyment shall not be disturbed by such assignee or any party lawfully claiming by, through or under such assignee.

33. EARLY TERMINATION: Provided Lessee is not in default under the Lease or any other agreement between Lessor and Lessee, Lessee shall at any time on or after the expiration of ten (10) years from the commencement date of the First Schedule, in accordance with the provisions set forth below, and upon no less than 180 days' prior written notice to Lessor (hereinafter called "180 Day Notice Period"), have the right to terminate all but not less than all Schedules on a rent payment date, if the Equipment becomes economically obsolete or surplus to Lessee's needs, provided however, no termination shall occur unless and until, during the 180 Day Notice Period (1) Lessee shall: (i) use its best efforts to obtain bids for the cash purchase of such Equipment at its fair market value on such rent payment date, such bids to be ON AN AS IS, WHERE IS BASIS, WITHOUT RECOURSE OR WARRANTY TO LESSOR, (ii) certify to Lessor in writing the amount of the highest bid received by Lessee and the name and address of the party submitting such bid (hereinafter called "Lessee's Certificate"), (iii) pay Lessor in cash on such rent payment date, the amount, if any, by which the applicable Stipulated Loss Value (determined in accordance with the applicable Schedule) exceeds the amount of the highest bid as stated in such Lessee's Certificate, and (iv) deliver to Lessor a certificate of the

Chief Financial Officer of the Lessee certifying that the Equipment is economically obsolete or surplus to Lessee's needs and (2) the sale contemplated hereby shall have been consummated as hereinafter set forth.

After Lessor's receipt of Lessee's Certificate and payment required and provided the party identified as the highest bidder in Lessee's Certificate does not withdraw or modify their bid, Lessor shall sell such Equipment on such rent payment date WITHOUT RECOURSE OR WARRANTY, to the bidder identified in Lessee's Certificate for cash in the amount of the full purchase price together with any taxes thereon; and thereupon Lessee shall deliver the Equipment to Lessor in accordance with the terms of the Lease. The total purchase price realized at such sale shall be retained by Lessor and in addition Lessee shall pay Lessor in cash upon demand all reasonable expenses incurred by Lessor in selling such Equipment.

Notwithstanding the foregoing, if the termination is occurring on October 30, 2004, Lessee may not (without Lessor's consent) obtain bids for the Equipment, shall return the Equipment to Lessor as provided in Paragraph 24 and shall pay to Lessor on such termination date 43.11% of the original cost to Lessor of the Equipment.

Lessee shall remain liable for all rent payments accruing with respect to such Equipment through the date of Lessor's sale or return pursuant to the preceding paragraph of such Equipment. Lessee thereafter shall be relieved of all obligations to pay rent accruing after the date of such sale and the Lease shall thereupon terminate except for such obligations which by the terms of the Lease expressly survive the termination.

Notwithstanding the foregoing, but subject to the second preceding paragraph, upon written notice to Lessee within the 180 Day Notice Period, Lessor may elect not to sell the Equipment to the highest bidder identified in Lessee's Certificate. In such event Lessor shall require Lessee to deliver the Equipment to Lessor in accordance with the terms of the Lease. Concurrently Lessee will pay Lessor in cash the amount, if any, by which the applicable Stipulated Loss Value exceeds the amount of the highest bid as stated in Lessee's Certificate. Thereafter, Lessee shall (1) be relieved of all obligations to pay rental payments due and payable after the expiration of the 180 Day Notice Period, (2) remain liable (i) for rent payments due and not paid prior to the expiration of the 180 Day Notice Period and (ii) for all such obligations which, by the terms of the Lease, expressly survive the termination thereof and except as expressly provided above the Lease shall terminate.

Notwithstanding the foregoing, Lessee may, at its option, upon written notification given to Lessor prior to Lessor making

commitment to sell or release the Equipment to a third party, elect to rescind Lessee's notice of termination with respect to such Equipment, whereupon the Lease shall not terminate pursuant to this Paragraph 33, but shall, provided no default has occurred and is continuing hereunder and Lessor has not by reason thereof terminated the Lease, continue in full force and effect as though no such notice of termination had been given by Lessee; provided that Lessee may not rescind such notices on more than two occasions and may not rescind any notice given with respect to a termination effective on October 30, 2004. Failure of Lessee to deliver Lessee's Certificate to Lessor prior to the expiration of the 180 Day Notice Period will be deemed conclusive evidence of Lessee's election to rescind its notice of termination.

34. TAX INDEMNITY: Lessee acknowledges that the rent payment provided for in Paragraph 6 is computed on the assumptions that (a) Trustor will be entitled to depreciation deductions, with respect to the invoice price of each item of Equipment, allowed under Section 167(a) and 168(a) of the Internal Revenue Code of 1986 as amended (the "Code") as in effect on the date hereof, utilizing the applicable (1) depreciation method provided in Section 168(b)(1)(A) and (B) of the Code; (2) convention described in Section 168(d)(1) of the Code; and (3) recovery period and classification of 7 years as determined under Section 168(c) and (e) of the Code, commencing in Trustor's current taxable year and cost recovery deductions or depreciation deductions for state or local income tax purposes (such deductions being referred to hereinafter as "Tax Benefits"); (b) all amounts includable in the gross income of Trustor with respect to the Equipment will be treated as derived from or allocable to sources within the United States; and (c) Trustor has sufficient taxable income to fully utilize all Tax Benefits.

Lessee represents and warrants to Trustor that (v) under current law Trustor is entitled to take such Tax Benefits and that it has not, and will not, at any time during the term of the Agreement, take any action or omit to take any action (whether or not the same is permitted or required hereunder) which, under the Code, will result in the loss or delay by Trustor of all or any part of the Tax Benefits and (w) all amounts includable in the gross income of Trustor with respect to the Equipment will be treated as derived from or allocable to sources within the United States. If as a result of any act, omission or misrepresentation of Lessee, or any sublessees or other users of the Equipment possessing or using the Equipment during the term of this Lease, Tax Benefits are lost, disallowed, eliminated, reduced, recaptured, compromised, delayed or otherwise made unavailable to Trustor (any of the foregoing being hereafter called a "Loss"), Lessee shall promptly pay to Trustor on demand, as additional rent, an amount in cash which in the opinion of Trustor is equal to that which provides Trustor with the same net after-tax

earnings for book accounting purposes (using the method prescribed for leveraged leases in accordance with FASB 13) that Trustor originally anticipated realizing from the transaction contemplated by the Lease Agreement had it not been for the Loss. The amount payable to Trustor shall be paid no later than 15 days after receipt of a written demand therefor from Trustor accompanied by a written statement describing in reasonable detail such Loss and the computation of the amount so payable. The repair, replacement or destruction of any item of Equipment, not resulting for any reason in payment of any Stipulated Loss Value therefor, shall constitute the act of Lessee for purposes of this Paragraph 34. In the event of a breach of the representation and warranty as stated in (w) above, if any item of income credit or deduction with respect to the Equipment shall not be treated as derived from, or allocable to, sources within the United States for a given taxable year (any such event hereinafter referred to as a "Foreign Loss"), then Lessee shall pay to Trustor as an Indemnity, on the next succeeding rent payment date, or in any event within fifteen (15) days after written demand to Lessee by Trustor, such amount as, after deduction of all taxes required to be paid by Trustor in respect of the receipt of such amounts under the laws of any Federal, state or local government or taxing authority of the United States, shall equal the sum of: (i) the excess of (x) the foreign tax credits which Trustor would have been entitled to for such year had no such Foreign Loss occurred over (y) the foreign tax credit to which Trustor was limited as a result of such Foreign Loss and (ii) the amount of any interest, penalties or additions to tax payable as a result of such Foreign Loss. For purposes of this Paragraph 34, the term "Trustor" shall include the affiliated taxpayer group within the meaning of Section 1504 of the Code of which Trustor is a member. The provisions of this Paragraph 34 shall expire upon conclusion of all statutes of limitations relevant to the provisions of this Paragraph 34. Lessee agrees that Trustor is a third party beneficiary of this Paragraph 34, and of all other Paragraphs herein reference "Trustor" and that all provisions thereof may be enforced by Trustor directly in its own name.

LESSEE HEREBY ACKNOWLEDGES RECEIPT OF AN EXECUTED AND TRUE COPY OF THIS LEASE AND THAT IT IS NON-CANCELLABLE FOR THE ORIGINAL RENTAL TERM EXCEPT AS PROVIDED FOR IN PARAGRAPH 33 - "EARLY TERMINATION" AS CONTAINED HEREIN.

IN WITNESS WHEREOF, Lessor and Lessee have each caused this Lease to be duly executed.

LESSOR:	LESSEE:
THE CONNECTICUT NATIONAL BANK, not in its individual capacity but solely as trustee, as Lessor	SOLTEX POLYMER CORPORATION
By: _____	By: _____
Printed Name: MARK A. FORGETTA	Printed Name: _____
Title: VICE PRESIDENT	Title: _____
Date: MAY 3 1989	Date: _____

STATE OF Connecticut)
: ss.: HTFD.
COUNTY OF Hartford)

On this 3rd day of May, 1989 before me personally appeared Mark Forgetta to me personally known, who being by me duly sworn, says that he is the Vice President of The Connecticut National Bank, that the seal affixed to the foregoing instrumt is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

Debra A. Johnson
Signature of Notary Public
My Commission expires

DEBRA A. JOHNSON
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1990

STATE OF _____)
: ss.:
COUNTY OF _____)

On this ____ day of _____, 1989 before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Soltex Polymer Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

_____
Signature of Notary Public
My Commission expires

IN WITNESS WHEREOF, Lessor and Lessee have each caused this Lease to be duly executed.

LESSOR:

THE CONNECTICUT NATIONAL BANK, not in its individual capacity but solely as trustee, as Lessor

By: _____

Printed Name: _____

Title: _____

Date: _____

STATE OF _____)
: ss.:
COUNTY OF _____)

On this ____ day of _____, 1989 before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of The Connecticut National Bank, that the seal affixed to the foregoing instrumt is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

_____
Signature of Notary Public
My Commission expires

LESSEE:

SOLTEX POLYMER CORPORATION

By: _____

Printed Name: R. H. Degreve

Title: Vice President

Date: May 5, 1989

STATE OF TEXAS)
: ss.:
COUNTY OF HARRIS)

On this 5th day of May, 1989 before me personally appeared R.H. Degreve, to me personally known, who being by me duly sworn, says that he is the Vice President of Soltex Polymer Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

Kimberly M. Williston
Signature of Notary Public
My Commission expires
7-19-92

LEASE SCHEDULE

Master Equipment
Lease Agreement No. 1989-1

Master Equipment
Lease Agreement Date: May 3, 1989

Lease Schedule No.: 1

Lease Schedule Date: May 3, 1989

Between THE CONNECTICUT NATIONAL BANK, as Owner Trustee (Lessor) and SOLTEX POLYMER CORPORATION (Lessee).

1. Equipment Description:

Quantity	Item	Manufacturer and Serial Number
100	5800 cu. ft. steel Covered hopper cars	THRALL CAR MFG. CO.; ELTX-1700 through 1799

2. Equipment Location:
   The above Equipment is to be delivered to Deer Park, Texas

3. Billing Address:
   3333 Richmond Avenue, Houston, TX 77098, Attn: Accounts Payable

4. Original Rental Term:
   The date hereof through October 30, 2009

5. Rental for Original Rental Term:
   payable per attached Supplemental Schedule A

6. Acquisition Cost: Estimated: $ 5,565,650 (to be finalized upon upon receipt of all Equipment)

7. Stipulated Loss Value: As of any date set forth on Schedule B hereto, the percentage of Acquisition Cost listed opposite such date plus, if the applicable SLV Date is prior to April 30, 2000, all rent due or accrued, on a per diem basis, through such date.

8. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT. LESSEE PERMITS LESSOR TO INSERT MODEL AND SERIAL NUMBERS OF EQUIPMENT WHEN DETERMINED BY LESSOR.

THE CONNECTICUT NATIONAL BANK, not in its individual capacity but solely as Trustee under a Trust Agreement dated as of May 3, 1989
(Lessor)

By: _____
Title: VICE PRESIDENT
Date: MAY 3 1989

SOLTEX POLYMER CORPORATION
(Lessee)

By: _____
Title: _____
Date: _____

LEASE SCHEDULE

Master Equipment
Lease Agreement No. 1989-1

Master Equipment
Lease Agreement Date: May 3, 1989

Lease Schedule No.: 1

Lease Schedule Date: May 3, 1989

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   The date hereof through October 30, 2009

5. Rental for Original Rental Term:
   payable per attached Supplemental Schedule A

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7. Stipulated Loss Value: As of any date set forth on Schedule B hereto, the percentage of Acquisition Cost listed opposite such date plus, if the applicable SLV Date is prior to April 30, 2000, all rent due or accrued, on a per diem basis, through such date.

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THE CONNECTICUT NATIONAL BANK,
not in its individual capacity
but solely as Trustee under a
Trust Agreement dated as of May 3,
1989
(Lessor)

By: _____

Title: _____

Date: _____

SOLTEX POLYMER CORPORATION
(Lessee)

By: _____

Title: Vice President

Date: May 5, 1989

SCHEDULE 1-A

DATE	RENT ADVANCE	RENT ARREARS
10/30/89	0.00000	0.00000
4/30/90	0.00000	3.75823
10/30/90	0.00000	5.01248
4/30/91	0.00000	3.68768
10/30/91	0.00000	5.08303
4/30/92	0.00000	3.60919
10/30/92	0.00000	5.16152
4/30/93	0.00000	3.52187
10/30/93	0.00000	5.24883
4/30/94	0.00000	3.42473
10/30/94	0.00000	5.34598
4/30/95	0.00000	3.31666
10/30/95	0.00000	5.45405
4/30/96	0.00000	3.19643
10/30/96	0.00000	5.57427
4/30/97	0.00000	3.06268
10/30/97	0.00000	5.70803
4/30/98	0.00000	2.91387
10/30/98	0.00000	7.80587
4/30/99	0.00000	2.63870
10/30/99	0.00000	8.08105
4/30/00	10.71975	0.00000
10/30/00	1.86079	0.00000
4/30/01	8.85896	0.00000
10/30/01	1.46714	0.00000
4/30/02	9.25261	0.00000
10/30/02	1.02921	0.00000
4/30/03	9.69054	0.00000
10/30/03	0.54201	0.00000
4/30/04	10.17774	0.00000
10/30/04	0.00000	0.00000
4/30/05	10.71975	0.00000
10/30/05	0.00000	0.00000
4/30/06	10.71975	0.00000
10/30/06	0.00000	0.00000
4/30/07	10.71975	0.00000
10/30/07	0.00000	0.00000
4/30/08	10.71975	0.00000
10/30/08	0.00000	0.00000
4/30/09	10.71975	0.00000

INTERIM RENT FROM CLOSING TO 10/30/89 WILL BE PAID ON 10/30/89 AT THE DAILY EQUIVALENT OF THE AVERAGE LEASE RENTAL FOR THE ORIGINAL RENTAL TERM.

SCHEDULE 1-B

STIPULATED LOSS VALUES

SETTLEMENT DATE	TERMINATION AMOUNT
30 MAY 1989	101.14335244
30 JUN 1989	100.64103475
30 JUL 1989	100.77972345
30 AUG 1989	100.92402769
30 SEP 1989	101.06884107
30 OCT 1989	101.21415166
30 NOV 1989	101.52704440
30 DEC 1989	101.84025242
30 JAN 1990	102.15376265
30 FEB 1990	102.47273076
30 MAR 1990	102.79547543
30 APR 1990	103.11517358
30 MAY 1990	103.18812754
30 JUN 1990	103.25951631
30 JUL 1990	103.32931098
30 AUG 1990	103.40436217
30 SEP 1990	103.47786036
30 OCT 1990	103.54977670
30 NOV 1990	103.79929793
30 DEC 1990	104.04699716
30 JAN 1991	104.29284393
30 FEB 1991	104.54368734
30 MAR 1991	104.79651645
30 APR 1991	105.04752810
30 MAY 1991	105.03153641
30 JUN 1991	105.01656554
30 JUL 1991	105.00261036
30 AUG 1991	104.99349364
30 SEP 1991	104.98543768
30 OCT 1991	104.97843757
30 NOV 1991	105.17281023
30 DEC 1991	105.36799885
30 JAN 1992	105.56399715
30 FEB 1992	105.76462648
30 MAR 1992	105.96822286
30 APR 1992	106.17315902
30 MAY 1992	106.08751749
30 JUN 1992	106.00473511
30 JUL 1992	105.92482373
30 AUG 1992	105.84944377
30 SEP 1992	105.77698255
30 OCT 1992	105.70745227
30 NOV 1992	105.86588322
30 DEC 1992	106.02700374
30 JAN 1993	106.19082470
30 FEB 1993	106.35900554
30 MAR 1993	106.53084312

SETTLEMENT DATE	TERMINATION AMOUNT
30 APR 1993	106.70626480
30 MAY 1993	106.56414271
30 JUN 1993	106.42618352
30 JUL 1993	106.29241114
30 AUG 1993	106.16294191
30 SEP 1993	106.03770907
30 OCT 1993	105.91673692
30 NOV 1993	106.05341090
30 DEC 1993	106.19410132
30 JAN 1994	106.33883123
30 FEB 1994	106.48771613
30 MAR 1994	106.64073937
30 APR 1994	106.79783147
30 MAY 1994	106.40573639
30 JUN 1994	106.41760642
30 JUL 1994	106.23346433
30 AUG 1994	106.05342692
30 SEP 1994	105.87742464
30 OCT 1994	105.70548066
30 NOV 1994	105.82424358
30 DEC 1994	105.94681273
30 JAN 1995	106.07320993
30 FEB 1995	106.20355109
30 MAR 1995	106.33781758
30 APR 1995	106.47593692
30 MAY 1995	106.22967402
30 JUN 1995	105.98716448
30 JUL 1995	105.74842984
30 AUG 1995	105.51338746
30 SEP 1995	105.28256476
30 OCT 1995	105.05538367
30 NOV 1995	105.15569812
30 DEC 1995	105.25959352
30 JAN 1996	105.36709039
30 FEB 1996	105.47830509
30 MAR 1996	105.59321691
30 APR 1996	105.71368588
30 MAY 1996	105.41257960
30 JUN 1996	105.11495843
30 JUL 1996	104.82685954
30 AUG 1996	104.54047099
30 SEP 1996	104.25965302
30 OCT 1996	103.98444328
30 NOV 1996	104.07773441
30 DEC 1996	104.17437010
30 JAN 1997	104.28038671
30 FEB 1997	104.38797149

SETTLEMENT DATE	TERMINATION AMOUNT
30 MAR 1997	104.49996234
30 APR 1997	104.62015952
30 MAY 1997	104.27729830
30 JUN 1997	103.94174277
30 JUL 1997	103.61354631
30 AUG 1997	103.28896841
30 SEP 1997	102.97180238
30 OCT 1997	102.66210220
30 NOV 1997	102.76663129
30 DEC 1997	102.87835979
30 JAN 1998	102.99734046
30 FEB 1998	103.11983219
30 MAR 1998	103.24753192
30 APR 1998	103.38507399
30 MAY 1998	102.68734120
30 JUN 1998	101.99771067
30 JUL 1998	101.31624277
30 AUG 1998	100.63837234
30 SEP 1998	99.96871955
30 OCT 1998	99.30734538
30 NOV 1998	99.43540891
30 DEC 1998	99.57136912
30 JAN 1999	99.71528522
30 FEB 1999	99.86259085
30 MAR 1999	100.01534979
30 APR 1999	100.17785138
30 MAY 1999	99.41554384
30 JUN 1999	98.66088243
30 JUL 1999	97.91392388
30 AUG 1999	97.17044883
30 SEP 1999	96.43472924
30 OCT 1999	95.70682254
30 NOV 1999	96.25121874
30 DEC 1999	96.80302799
30 JAN 2000	97.36230564
30 FEB 2000	97.92483103
30 MAR 2000	98.49251245
30 APR 2000	99.07083283
30 MAY 2000	88.83458044
30 JUN 2000	89.32633092
30 JUL 2000	89.82639968
30 AUG 2000	90.32937233
30 SEP 2000	90.84071262
30 OCT 2000	91.36048493
30 NOV 2000	90.00449531
30 DEC 2000	90.51767292
30 JAN 2001	91.03929322

SETTLEMENT DATE	TERMINATION AMOUNT
30 FEB 2001	91.56394256
30 MAR 2001	92.09405937
30 APR 2001	92.63415132
30 MAY 2001	84.23724815
30 JUN 2001	84.70645637
30 JUL 2001	85.18287115
30 AUG 2001	85.66208248
30 SEP 2001	86.14848525
30 OCT 2001	86.64222462
30 NOV 2001	85.65750398
30 DEC 2001	86.14719555
30 JAN 2002	86.64421261
30 FEB 2002	87.14411584
30 MAR 2002	87.64890817
30 APR 2002	88.16307346
30 MAY 2002	79.34262069
30 JUN 2002	79.78173355
30 JUL 2002	80.22785892
30 AUG 2002	80.67657494
30 SEP 2002	81.13234633
30 OCT 2002	81.59522697
30 NOV 2002	81.02163479
30 DEC 2002	81.48434798
30 JAN 2003	81.95421053
30 FEB 2003	82.42680156
30 MAR 2003	82.90411456
30 APR 2003	83.39061100
30 MAY 2003	74.10014070
30 JUN 2003	74.50696071
30 JUL 2003	74.92058428
30 AUG 2003	75.33660974
30 SEP 2003	75.75947940
30 OCT 2003	76.18924580
30 NOV 2003	76.07425761
30 DEC 2003	76.50818719
30 JAN 2004	76.94907775
30 FEB 2004	77.39252856
30 MAR 2004	77.84052261
30 APR 2004	78.29749655
30 MAY 2004	68.48539814
30 JUN 2004	68.85756612
30 JUL 2004	69.23631258
30 AUG 2004	69.61725842
30 SEP 2004	70.00482095
30 OCT 2004	70.39905135
30 NOV 2004	70.79557105
30 DEC 2004	71.19879784

SETTLEMENT DATE	TERMINATION AMOUNT
30 JAN 2005	71.60878353
30 FEB 2005	72.02114997
30 MAR 2005	72.43786858
30 APR 2005	72.86361000
30 MAY 2005	62.47308327
30 JUN 2005	62.80885633
30 JUL 2005	63.15123234
30 AUG 2005	63.49559651
30 SEP 2005	63.84660008
30 OCT 2005	64.20429503
30 NOV 2005	64.56406712
30 DEC 2005	64.93056806
30 JAN 2006	65.30385039
30 FEB 2006	65.67930036
30 MAR 2006	66.05899264
30 APR 2006	66.44759791
30 MAY 2006	56.01971858
30 JUN 2006	56.31792254
30 JUL 2006	56.62251128
30 AUG 2006	56.92886876
30 SEP 2006	57.24164493
30 OCT 2006	57.56089050
30 NOV 2006	57.88198993
30 DEC 2006	58.20959164
30 JAN 2007	58.54375287
30 FEB 2007	58.87985255
30 MAR 2007	59.21996603
30 APR 2007	59.56876227
30 MAY 2007	49.10084354
30 JUN 2007	49.35877519
30 JUL 2007	49.62285776
30 AUG 2007	49.88847386
30 SEP 2007	50.16027206
30 OCT 2007	50.43830170
30 NOV 2007	50.71794586
30 DEC 2007	51.00385357
30 JAN 2008	51.29607467
30 FEB 2008	51.58999269
30 MAR 2008	51.88767956
30 APR 2008	52.19380283
30 MAY 2008	41.68296332
30 JUN 2008	41.89772495
30 JUL 2008	42.11838682
30 AUG 2008	42.34033007
30 SEP 2008	42.56820180
30 OCT 2008	42.80204991
30 NOV 2008	43.03725597
30 DEC 2008	43.27846754
30 JAN 2009	43.52573294
30 FEB 2009	43.77443421
30 MAR 2009	44.02664175
30 APR 2009	44.30220662
30 MAY 2009	33.77584033
30 JUN 2009	33.99021015
30 JUL 2009	34.22548687
30 AUG 2009	34.46253100
30 SEP 2009	34.72057518
30 OCT 2009	35.00000000