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HOUSTON
WASHINGTON, D.C.
AUSTIN
SAN ANTONIO
DALLAS
NEW YORK
LOS ANGELES
LONDON
HONG KONG

April 30, 1999

Re: Primary and Secondary Documents for Recordation at the Surface Transportation Board

22132, A, B, C

Surface Transportation Board
1925 K Street N.W., Suite 700
Washington, D.C. 20423

RECORDATION NO. 22132 FILED
APR 29 '99 3-20PM

Dear Sirs:

Pursuant to the provisions of 49 U.S.C. § 11301 and 49 C.F.R. Part 1177, enclosed please find duplicate originals of the primary and secondary documents described below for recordation at the Surface Transportation Board.

(i) Primary Document - Equipment Lease Agreement dated April 1, 1999.

The names and addresses of the parties to this document are:

Lessor: Wilmington Trust Company
1100 North Market Street
Wilmington, Delaware 19890-0001

Lessee: Solvay Polymers, Inc.
3333 Richmond Avenue
Houston, Texas 77098

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

Lease Agreement between Wilmington Trust Company, as lessor, and Solvay Polymers, Inc., as lessee, dated as of April 1, 1999.

(ii) Secondary Document - Lease Supplement No. 1 dated April 30, 1999.

The names and addresses of the parties to this document are:

| | |
|---|---|
| Lessor: | Wilmington Trust Company<br>1100 North Market Street<br>Wilmington, Delaware 19890-0001 |
| Lessee: | Solvay Polmers, Inc.<br>333 Richmond Avenue<br>Houston, Texas 77098 |

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

Supplement to Equipment Lease Agreement between Wilmington Trust Company, as lessor, and Solvay Polymers, Inc., as lessee, dated as of April 1, 1999.

(iii) Secondary Document - Trust Indenture and Security Agreement dated April 1, 1999.

The names and addresses of the parties to this document are:

| | |
|---|---|
| Owner Trustee: | Wilmington Trust Company<br>1100 North Market Street<br>Wilmington, Delaware 19890-0001 |
| Indenture Trustee: | Solvay Polymers, Inc.<br>3333 Richmond Avenue<br>Houston, Texas 77098 |

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

Supplement to Equipment Lease Agreement between Wilmington Trust Company, as owner trustee, and State Street Bank & Trust Company, as indenture trustee, dated as of April 1, 1999.

(iv) Secondary Document- Indenture Supplement No. 1 dated April 30, 1999.

The names and addresses of the parties to this document are:

Lessor: Wilmington Trust Company
1100 North Market Street
Wilmington, Delaware 19890-0001

Lessee: Solvay Polymers, Inc.
3333 Richmond Avenue
Houston, Texas 77098

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

Supplement to Trust Indenture and Security Agreement between Wilmington Trust Company, as owner trustee, and State Street Bank and Trust Company, as indenture trustee, dated as of April 30, 1999.

Also enclosed is a check in the amount of $ 104.00 in payment of the filing fees. Please file-stamp and return the additional copies of each document presented for recordation. Should you have any questions or require further information, please do not hesitate to contact me at (713) 651-5558.

Very truly yours,

Darice Angel

Darice Angel
Senior Legal Assistant

Enclosures
Via Hand Delivery
cc: Jay Olmstead (w/o enclosures) (Firm)

RECORDATION NO. 22132 FILED

APR 29 '99 3-20PM

# EQUIPMENT LEASE AGREEMENT

(Solvay Polymers Equipment Trust 1999)

Dated as of April 1, 1999

Between

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as trustee under
the Trust Agreement dated as of April 1, 1999, between
the Owner Participant and Wilmington Trust Company
in its individual capacity
(Lessor)

and

SOLVAY POLYMERS, INC.
(Lessee)

THIS LEASE HAS BEEN EXECUTED IN COUNTERPARTS. TO THE EXTENT THIS LEASE CONSTITUTES CHATTEL PAPER WITHIN THE MEANING OF ANY APPLICABLE UNIFORM COMMERCIAL CODE PROVISION, NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL EXECUTED COUNTERPART, WHICH SHALL BE IDENTIFIED FOR SUCH PURPOSES AS THE COUNTERPART CONTAINING THE RECEIPT THEREFOR EXECUTED BY THE INDENTURE TRUSTEE ON THE SIGNATURE PAGE THEREOF.

FILED WITH THE SURFACE TRANSPORTATION BOARD PURSUANT TO 49 U.S.C. SECTION 11301 ON APRIL __, 1999, AT _____ __.M., RECORDATION NUMBER _____ AND DEPOSITED WITH THE OFFICE OF THE REGISTRAR GENERAL OF CANADA PURSUANT TO SECTION 105 OF THE CANADA TRANSPORTATION ACT ON APRIL __, 1999, AT _____ __.M.

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# EQUIPMENT LEASE AGREEMENT

**EQUIPMENT LEASE AGREEMENT** made as of April 1, 1999 (the "Lease"), between WILMINGTON TRUST COMPANY, a Delaware banking corporation, having its principal place of business located at Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890-0001, not in its individual capacity but solely as the trustee ("Lessor") under the Trust Agreement dated as of April 1, 1999 (the "Trust Agreement"), for the benefit of KBC BANK N.V., a Belgian banking institution, and its permitted successors and assigns ("Owner Participant"), and SOLVAY POLYMERS, INC., a Delaware corporation ("Lessee") having its principal place of business located at 3333 Richmond Avenue, Houston, Texas 77098.

1. DEFINITIONS: Each capitalized term used in this Lease and not otherwise defined herein shall have the meaning specified in Schedule X to the Participation Agreement dated as of the date hereof among Lessee, Owner Participant, Wilmington Trust Company, not in its individual capacity except as expressly provided therein, but solely as trustee under the Trust Agreement, and others, which Schedule X shall for all purposes constitute a part of this Lease and shall be subject to amendment in accordance with Section 23 hereof.

2. LEASE AGREEMENT:

(a) Lessor hereby leases to Lessee, and Lessee hereby rents from Lessor, the Equipment. All of the terms and conditions of this Lease shall govern the rights and obligations of Lessor and Lessee except as specifically modified in a Lease Supplement. Whenever reference is made herein to "this Lease," such reference shall be deemed to include each and every Lease Supplement and Lease Schedule, all of which constitute one lease of the Equipment and the terms and conditions of which are incorporated herein by reference.

(b) On the Funding Date, Lessee shall enter into a Lease Supplement with Lessor, which Lease Supplement shall: (i) state that Lessee has had an opportunity to inspect, and has inspected, the Equipment listed therein, (ii) state that Lessee has received a bill of sale for each Item of Equipment from the manufacturer or seller of such Item, and (iii) set forth the Equipment Cost and the Transaction Costs to be funded on the Funding Date.

3. TERM: The obligations under this Lease with respect to the Items of Equipment specified on the Lease Schedule shall commence upon the Funding Date for such Items and shall terminate on the date that is 22.25 years after the applicable Basic Term Commencement Date, which date shall be specified in the applicable Lease Supplement, subject to earlier termination pursuant to Sections 14 and 27 hereof and subject to renewal pursuant to Section 15 hereof.

4. RENTAL PAYMENTS:

Lessee agrees to pay Lessor the following Rent for the use of the Equipment:

(a)(i) For each Basic Lease Term, Lessee will pay Basic Rent (in semiannual installments as set forth on the applicable Lease Schedule) on each Rent Payment Date commencing with the first Rent Payment Date to occur and ending on the date 22.25 years after the Basic Term Commencement Date, which date shall be specified in the applicable Lease Supplement, such installment on any Rent Payment Date with respect to the Items of Equipment then subject to such Lease Supplement to be in an amount equal to the Equipment Cost for all such Items of Equipment times the applicable Basic Rent Factor with respect to such Rent Payment Date. Basic Rent for any Renewal Term shall be as provided in Section 15 hereof.

(ii) If any payment of Basic Rent shall be due and payable on a day which is not a Business Day, such payment of Basic Rent shall be due and payable on the immediately preceding Business Day. Rent during any Renewal Term shall be payable semiannually in arrears.

(iii) Lessor and Lessee agree that Basic Rent shall be allocated over the six-month period beginning on the Rent Payment Date on which such advance payment is scheduled to be made, and each installment of Basic Rent that is indicated as payable in arrears will be accrued over the six-month period ending on the Rent Payment Date on which such arrears payment is scheduled to be made.

(b) Lessee also agrees to pay to Lessor, or to whomever shall be entitled thereto as expressly provided herein or in any other Operative Document, as appropriate, any and all Supplemental Rent promptly as the same shall become due and owing.

(c) The Basic Rent will be subject to Adjustment as specified in Article IX of the Participation Agreement, and shall not be less than the amounts required by Section 9.4 of the Participation Agreement.

(d) All payments of Rent payable to Lessor shall be made by Lessee by wire transfer of immediately available funds prior to 10:00 A.M. New York time, on the date of payment, to Lessor at its office at Rodney Square North, Wilmington, Delaware, Attention: Corporate Trust Administration (or such other office of Lessor in the continental United States or such other account as Lessor shall direct in a notice to Lessee at least ten Business Days prior to the date such payment of Rent is due); provided, however, that so long as the Lien of the Indenture shall not have been fully discharged, Lessor hereby directs and Lessee agrees, that, unless the Indenture Trustee shall otherwise direct, all Rent (other than Excepted Payments) payable to Lessor and assigned to the Indenture Trustee pursuant to the Indenture shall be paid prior to 10:00 A.M. New York time on the due date thereof directly to the Indenture Trustee at the office of the Indenture Trustee as provided in Section 2.06 of the Indenture. All payments of Supplemental Rent owing to the Indenture Trustee or to any Noteholder shall be made in immediately available funds prior to 10:00 A.M. New York time, on the due date thereof at the office of Indenture Trustee or at such other office of such other

financial institution located in the continental United States as the party entitled thereto may so direct at least ten Business Days prior to the due date thereof. All payments of Supplemental Rent payable to the Owner Participant or Lessor, to the extent that such amounts constitute Excepted Payments, shall be made in immediately available funds prior to 10:00 A.M. New York time, on the due date thereof, to the account of the Owner Participant or Lessor, as applicable.

(e) Should Lessee fail to pay in full when due any Rent or other sum to be paid under this Lease, then Lessee shall pay (as Supplemental Rent), on demand, interest on such unpaid amount from the due date until paid at a per annum rate equal to the Past Due Rate applicable to the Notes to which such Rent pertains; provided, that in all events, Lessee shall pay (as Supplemental Rent), as aforesaid, such amount as shall, in the aggregate, be due in respect of all Notes as a result of any amount due thereunder not being paid when due.

(f) Anything contained in any of the Operative Documents to the contrary notwithstanding, the aggregate amount of Basic Rent payable on any Rent Payment Date hereunder during the Basic Lease Term (together with any payment made pursuant to Section 9.3(c) of the Participation Agreement), the aggregate amount of any Termination Value (together with the amount of the Basic Rent to be paid on the date such Termination Value is to be paid), the amount of the initial installment of any EBO Price (together with the amount of the Basic Rent to be paid on the date such initial installment of EBO Price is to be paid) and the aggregate amount of any Stipulated Loss Value (together with the amount of the Basic Rent to be paid on the date such Stipulated Loss Value is to be paid) shall each be sufficient to pay in full on such date the amount then scheduled to be paid on account of the principal of and interest on the Notes outstanding on such date.

(g) The obligation of Lessee to pay Basic Rent shall be subject to credit as provided in Section 10.5(b) of the Participation Agreement.

5. DELIVERY: Lessee will select the type, quantity and supplier of each Item of Equipment described in a Lease Supplement. Lessor shall have no liability for any delivery or failure by the supplier to fill the purchase order or meet the conditions thereof. Lessee is authorized to accept the Items of Equipment on behalf of and as agent for Lessor.

6. WARRANTIES:

(a) EACH OF LESSOR, OWNER PARTICIPANT, INDENTURE TRUSTEE AND NOTEHOLDERS, 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, OPERATION 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, Owner Participant, Indenture Trustee or any Noteholder based thereon. Lessee further agrees not to assert any claim whatsoever against Lessor, Owner Participant, Indenture Trustee or any Noteholder for loss of anticipatory profits or consequential damages resulting from any defect or failure of the Equipment or any Item thereof. 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; 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 or against Owner Participant, Indenture Trustee or any Noteholder for any breach by such Person under any of the Operative Documents.

(b) To the extent not prohibited by the manufacturer or seller of the Equipment or the lining contractor, or otherwise, during the Term that this Lease is in effect and so long as no Lease Event of Default shall have occurred and be continuing, Lessor hereby authorizes Lessee, at Lessee's expense, to assert for Lessor's account, all rights and powers of Lessor under any manufacturer's and/or seller's warranties with respect to the Equipment, and Lessor agrees to provide such assistance as Lessee may from time to time reasonably request in order to obtain the benefits of such Equipment manufacturer's or seller's warranties.

7. TITLE TO AND LOCATION OF EQUIPMENT; RESTRICTIONS ON LIENS:

(a) 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.

(b) Lessee will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to any Item of Equipment, Lessor's title thereto or any interest therein or in, to or under this Lease or any other Operative Document or any interest of Lessor in any Rent or any sublease except for Permitted Liens. Lessee will promptly, at its own expense, take or cause to be taken such action as may be necessary duly to discharge any Lien (other than Lessor Liens) not excepted above when such Lien arises and shall promptly furnish evidence of such discharge to Lessor.

8. USE OF EQUIPMENT; INSPECTION AND REPORTS; MODIFICATIONS; INSIGNIA; RECORDINGS:

(a) Lessee may possess and use the Equipment in accordance with this Lease, provided that any such use is in conformity in all material respects with all applicable laws, any insurance policies, and any warranties of the manufacturer or seller with respect to the Equipment, and conforms to Prudent Industry Practice. Lessee agrees not to operate or locate any Item of Equipment, or to suffer any Item of Equipment to be operated or located, in any area excluded from coverage by any insurance policy required by the terms of Section 10 hereof. Lessee shall operate the Equipment and permit the Equipment to be located only in the continental United States (including Alaska), Canada and Mexico; provided, however, in no event shall more than 25% of the Items subject to this Lease be operated in Mexico at the same time.

(b) At reasonable times, and so long as no Lease Event of Default shall have occurred and be continuing upon at least 30 Business Days' prior written notice to Lessee and while any Lease Event of Default shall have occurred and be continuing upon at least ten Business Days' prior written notice to Lessee, Lessor, Indenture Trustee or Owner Participant, or their respective authorized representatives, may inspect the Equipment or any Item thereof and may inspect all books and records of Lessee required by law to be kept and relating to the maintenance of the Equipment or any Item thereof; but any such inspection of the Equipment or any Item thereof shall not disturb Lessee's quiet enjoyment thereof. Lessee shall bear the expense of any such inspection conducted while a Lease Event of Default shall have occurred and be continuing, but so long as no Lease Event of Default shall have occurred and be continuing, the Person conducting any such inspection shall bear the expense thereof. Lessee agrees to respond in a timely fashion to any of Lessor's, Indenture Trustee's, or Owner Participant's inquiries regarding (i) the location of the Equipment or any Item thereof or (ii) the scheduling of any major overhaul with respect to the Equipment or any Item thereof. In conducting inspections hereunder, each of Lessor, Owner Participant and Indenture Trustee agrees not to unreasonably interfere with Lessee's operations. None of Lessor, Owner Participant or Indenture Trustee shall have any duty to make any such inspection nor shall any of them incur any liability or obligations by reason of not making any such inspection.

(c) Lessee shall use the Equipment only for the transportation of Permitted Commodities in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. Lessee shall promptly notify Lessor and Owner Participant of any loading or transportation of any commodity which is not a Permitted Commodity, which notice shall identify such commodity and the circumstances relating thereto and the actions the Lessee is taking or proposes to take in connection therewith. Lessee 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.

(d) Lessee, at its own cost and expense, shall make all such modifications, alterations or improvements (collectively, "Modifications") to all or any Items of Equipment as are required by law or by any Authority having jurisdiction over Lessee, Lessor and/or the Equipment and may make any other Modifications to all or any Items of Equipment that do not impair the value, utility or remaining useful life of such Items of Equipment. Title to all Severable Modifications (other than those required by law or regulation of the United States, or by law or regulation of any state thereof having jurisdiction over Lessee, Lessor and/or the Equipment) shall remain and vest with the Lessee, and any such Severable Modifications may be removed and retained by Lessee, at its own cost and expense, at the expiration of the applicable Term of this Lease. Title to all Nonseverable Modifications (and to those Severable Modifications required by law or regulation of the United States, or by law or regulation of any state thereof having jurisdiction over Lessee, Lessor and/or the Equipment) shall vest with Lessor (but Lessee shall be allowed to use such Modifications during the applicable Term of this Lease without the payment of any additional Rent therefor).

(e) Within 45 days following the Funding Date, Lessee agrees to affix and maintain (or cause to be affixed and maintained) in a form and manner deemed suitable by Lessee on each Item of Equipment the following inscription:

Leased From

Wilmington Trust Company, as Owner Trustee
Owner and Lessor

and, for so long as such Item of Equipment shall be subject to the Lien of the Indenture, the following additional inscription:

Mortgaged to

State Street Bank and Trust Company,
Indenture Trustee

(such inscription to be replaced, if necessary, with an inscription reflecting the name of any successor Lessor or successor Indenture Trustee in each case as permitted under the Operative Documents). Except as above provided, Lessee will cause each Item of Equipment to be kept numbered with the serial number as shall be set forth in any Lease Supplement hereto extending this Lease to cover such Item of Equipment, and Lessee will not allow the name of any Person to be placed on any Item of Equipment as a designation that might be interpreted as a claim of ownership; provided that nothing herein contained shall prohibit Lessee (or any sublessee or sub-sublessee) from placing its customary colors and insignia on any Item of Equipment. Lessee will not change the identification number of any Item of Equipment unless and until (i) a statement of a new number or numbers to be substituted therefor shall have been delivered to the Indenture Trustee and Lessor and filed, recorded and deposited by Lessee in all appropriate public offices, including the public offices where this Lease and/or the Indenture shall have been filed, recorded and deposited, and (ii) Lessee shall have furnished Lessor and the Indenture Trustee an opinion of counsel in form and substance reasonably satisfactory to them to the effect that such statement has been so filed, recorded and deposited and that such filing, recordation and deposit will protect Lessor's interest in such Items of Equipment and the security interest of the Indenture Trustee under the Indenture with respect to such Items of Equipment.

(f) To the extent necessary or advisable to maintain or evidence the ownership interest of Lessor in the Equipment or to maintain or evidence the Lien of the Indenture in the Trust Estate, promptly following the execution and delivery of this Lease, each Bill of Sale, each bill of sale for Replacement Equipment, each Lease Supplement and each Indenture Supplement, Lessee will, at its expense, cause each such Operative Document to be duly filed and recorded, and maintained of record, in accordance with the applicable laws of any jurisdiction having authority over the Equipment or the Trust Estate. In addition, Lessee will, at its expense, promptly and duly execute and deliver to Lessor such further documents and take such further action as Lessor (and, if the Lien of the Indenture shall not have been discharged, the Indenture Trustee) may from time to time reasonably request in order to more effectively carry out the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder, including, without limitation, if requested by Lessor, at the expense of Lessee, the execution, delivery and recordation of supplements or amendments hereto in recordable form,

subjecting to this Lease and the Lien of the Indenture any equipment substituted for any Item of Equipment.

9. OPERATING RULES AND REGULATIONS; REPLACEMENTS: Lessee agrees to comply in all material respects with all applicable laws, regulations and requirements of any Authority 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), the Federal Railroad Administration, the Department of Transportation and the Surface Transportation Board. 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 (but Lessee shall have the use and benefit of any such changes, additions and replacements during the applicable Term of this Lease without the payment of any additional Rent therefor); provided that all such replacement equipment (including but not limited to Replacement Equipment), or property shall be free and clear of all Liens (except for Permitted Liens described in clauses (a), (c), (d), (f) and (g) of the definition thereof) and shall be in at least as good operating condition and have at least the same value, utility and useful life as the Items of Equipment being replaced (assuming that such Items were in at least as good condition as required to be maintained hereunder). Any such replacement equipment (including but not limited to Replacement Equipment), or property shall, without further act, become the property of the Lessor and be deemed part of the Equipment for all purposes hereof, subject to the Lien of the Indenture.

10. INSURANCE:

(a) Lessee will cause to be carried and maintained with insurers of recognized reputation and responsibility, at its sole expense, with respect to the Equipment (i) physical damage insurance insuring against physical loss or damage to the Equipment, in an amount equal to the Stipulated Loss Value of the Equipment subject to this Lease and (b) insurance against liability for bodily injury, death and property damage, including sudden and accidental pollution and evacuation expenses, resulting from the use, operation, ownership and possession of the Equipment in an amount not less than $10,000,000 per occurrence, each subject to Lessee's right to self-insurance set forth in clause (g) of this Section 10; provided, however, in no event shall Lessee maintain insurance in amounts less than, or self-insurance or deductibles greater than, the insurance Lessee carries for similar equipment owned or leased by Lessee. All losses will be adjusted by Lessee with the insurers; provided that in the event that a Lease Event of Default shall have occurred and be continuing, such loss shall not be adjusted without the consent of Lessor and, if the Lien of the Indenture shall not have been discharged, the Indenture Trustee.

(b) Any insurance policies carried in accordance with this Section 10 covering the Equipment, and any policies taken out in substitution or replacement for any such policies, (i) shall name the Lessor, WTC, the Indenture Trustee, each Note Purchaser and the Owner Participant (collectively, the "Insured Parties"), as additional insureds and, with respect to physical damage insurance, as loss payees, as their respective interests may appear (but without imposing on any such

party liability to pay premiums with respect to such insurance), provided, that Lessor (or if the Lien of the Indenture shall not have been discharged, the Indenture Trustee) shall be named as the sole loss payee on the policies for physical damage insurance with respect to the Equipment, (ii) may provide for self-insurance to the extent permitted in clause (g) of this Section 10, (iii) shall provide that if the insurers cancel such insurance for any reason whatsoever, or if the same is allowed to lapse for non-payment of premium or if any material change is made in the insurance which adversely affects the interest of any Insured Party, such lapse, cancellation or change shall not be effective as to any Insured Party for 30 days (ten days in the case of lapse for nonpayment of premium) after receipt by such Insured Party of written notice by such insurers of such lapse, cancellation or change, (iv) shall provide that in respect of the respective interests of each Insured Party in such policies the insurance shall not be invalidated by any action or inaction of Lessee or Guarantor, or any Affiliate of either, and shall insure the respective interests of the Insured Parties, as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Lessee or Guarantor, or any Affiliate of either, (v) shall be primary without any right of contribution from any other insurance that is carried by Lessee, any Insured Party or any other Person, (vi) shall expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured and shall waive any right of subrogation of the insurers against Lessor, the Noteholders, the Owner Participant and the Indenture Trustee and (vii) shall waive any right of the insurers to set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any Insured Party.

(c) As long as the coverages maintained by Lessee are not adversely affected, Owner Participant may, at its sole option, insure the Equipment or its interests therein at its own expense and for its own exclusive benefit. Such insurance may be in addition to that required to be maintained by Lessee under this Section 10. Any proceeds from such policy or policies maintained by the Owner Participant for its behalf shall be for the sole and exclusive benefit of the Owner Participant.

(d) (i) The proceeds of any insurance required under this Section 10 received on account of damage to any Equipment not constituting a Lease Event of Loss with respect to such Equipment (as well as any payments received at any time by the Lessee on account of such damage from an insurer, a railroad or other party, which shall be paid over forthwith upon receipt to the Lessor (or, if the Lien of the Indenture shall not have been discharged, the Indenture Trustee)) will be applied in payment for the repair of such damage to the extent required to maintain such Equipment in accordance with Section 18, if not already paid for by Lessee, or, if so paid for by Lessee, to reimburse Lessee for the cost of such repairs, and any balance remaining after compliance with said Section 18 with respect to such loss shall be paid to the order of the Lessee, provided that no Payment Default or Lease Event of Default shall have occurred or be continuing; if and so long as the foregoing proviso is not satisfied, such proceeds shall be held pursuant to Section 30 as security for Lessee's obligations hereunder and under the Participation Agreement.

(ii) Any payments received at any time by the Lessee on account of damage constituting an Event of Loss from an insurer, a railroad or other party shall be paid over forthwith

upon receipt to the Lessor (or, if the Lien of the Indenture shall not have been discharged, the Indenture Trustee).

(e) Lessee shall furnish, or cause to be furnished, to Lessor, the Indenture Trustee and the Participants on or before the Funding Date and not less often than annually thereafter a report from Marsh & McClennan or any other independent firm of insurance brokers reasonably acceptable to Lessor (Marsh & McClennan or such other brokers, the "Insurance Broker"), describing in reasonable detail the insurance then carried and maintained with respect to the Equipment and stating the opinion of such firm that (i) such insurance complies with the terms of this Section 10 and (ii) that such insurance together with any self-insurance or deductible permitted hereby complies with the requirements of this Section 10. In addition, Lessee will also cause such Insurance Broker to deliver to Lessor, the Indenture Trustee, the Owner Participant and the Noteholders, on or prior to the date of expiration of any insurance policy referenced in a previously delivered certificate of insurance, a new certificate of insurance, substantially in the same form as delivered by Lessee to such parties on the Funding Date except for the changes in the report or the coverage consistent with the terms hereof. To the extent that the insurance required under this Section 10 shall not be maintained, Lessor or the Indenture Trustee may at its sole option, but shall be under no duty to, provide such insurance and, in such event, Lessee shall, upon demand, reimburse Lessor or the Indenture Trustee as Supplemental Rent, for the cost thereof to Lessor or the Indenture Trustee, as the case may be, together with interest thereon at the Past Due Rate applicable to the Notes pertaining to the Items of Equipment for which such insurance was provided from the date of payment by such Person to the date of reimbursement.

(f) Any amount referred to in this Section 10 which is payable to or retainable by Lessee shall not be paid or retained by Lessee if at the time of such payment or retention a Payment Default or Lease Event of Default shall have occurred and be continuing, and such amount shall be held pursuant to Section 30 as security for Lessee's obligations hereunder and under the Participation Agreement. At such time as no Lease Event of Default shall be continuing, such amounts shall be paid to the Lessee to the extent not previously applied in accordance with the preceding sentence.

(g) Notwithstanding any other provision of this Section 10 or of any of the other Operative Documents, but subject to the proviso in Section 10(a), Lessee shall have the right to self-insure the Equipment for physical damage and liability from bodily injury, death and property damage up to the aggregate amount of $5,000,000 (inclusive of any deductibles or retentions under policies of insurance). Any such self-insurance shall be in lieu of, and in satisfaction of, any obligation of Lessee to provide, or bear the cost of providing, insurance up to such amount under any provision of this Lease or any of the other Operative Documents.

11. 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 Supplemental 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.

12. NET LEASE: This Lease is a net lease and Lessee's obligation to pay all Rent and all costs and expenses of every character in connection with the use and operation of the Equipment are absolute and unconditional and shall continue unaffected (i) unless and until this Lease shall be terminated as provided herein or (ii) except as set forth in Section 10.5(b) of the Participation Agreement with respect to interference with Lessee's quiet enjoyment of the Equipment. For the avoidance of doubt, during the period when a Lease Event of Default shall have occurred and be continuing Lessee's obligations to pay all Rent and expenses shall be absolute and unconditional and shall remain unaffected, regardless of any actions being taken by any Person that impacts Lessee's quiet enjoyment of the Equipment.

13. NO OFFSET: Except as set forth in Section 4(a)(iii) hereof and Section 10.5(b) of the Participation Agreement, Lessee's obligation to pay all Rent and all costs and expenses of every character in connection with the use and operation of the Equipment (until this Lease shall be terminated as provided herein) payable hereunder shall be absolute and unconditional and shall not be affected by any circumstance including, without limitation, (i) any set-off, counterclaim, recoupment, defense or other right that Lessee or Guarantor may have against Lessor, in its individual capacity or as Owner Trustee, the Indenture Trustee, any Noteholder, the Owner Participant, the Guarantor, any sublessee, the supplier of the Equipment or any other Person for any reason whatsoever (whether in connection with the transactions contemplated hereby or any other transactions) including, without limitation, any breach by Lessor or the Owner Participant or any other Person of their respective warranties, agreements or covenants contained in any of the Operative Documents, (ii) any defect in the title, condition, design, operation, or fitness for use of, or any damage to or loss or destruction of, any Item of Equipment, or any interruption or cessation in or prohibition of the use or possession thereof by Lessee or any sublessee for any reason whatsoever, (iii) any insolvency, bankruptcy, reorganization or similar case or proceedings by or against Lessee or Guarantor or (iv) any other circumstance, happening, or event whatsoever, whether or not unforeseen or similar to any of the foregoing. This section shall not be construed so as to prohibit any separate action by Lessee against Lessor, Owner Participant, Indenture Trustee or any other Person with respect to any right or action arising out of or related to this Lease or the transactions contemplated hereby.

14. EARLY TERMINATION:

(a) On any Rent Payment Date occurring on or after the fifth anniversary of the Basic Term Commencement Date and following a determination by Lessee in its sole opinion (as evidenced by a certificate of a Responsible Officer) (such date, and any Rent Payment Date selected by Lessor as provided in Section 14(d) hereof, each a "Termination Date") that all or at least 15% of the Items of Equipment then subject to this Lease are obsolete, surplus or uneconomic to Lessee's needs, Lessee shall have the right to terminate this Lease (an "Early Termination") for such Items of Equipment (if less than all, such Items to be selected on a non-discriminatory basis) upon payment

to Lessor of the applicable Termination Value (including accrued Rent, if any) for such Rent Payment Date and the other sums specified in clauses (i), (ii) and (iii) the sixth sentence of this Section 14(a). Lessee shall give Lessor not less than 90 days' written notice (a "Termination Notice") prior to the Termination Date of each determination that all or any of the Items of Equipment are obsolete, surplus or uneconomic to Lessee's needs, which notice shall specify the Termination Date as to which this Lease shall terminate with regard to such Items of Equipment. If such Termination Date shall occur prior to the seventh anniversary of the Basic Term Commencement Date, the Termination Notice must be accompanied by a certificate of the chief financial officer and a vice president of Guarantor to the effect that such Items of Equipment are obsolete, surplus or uneconomic to Lessee's needs. If no Lease Event of Default shall then exist and be continuing, upon such Early Termination (or Lessor's election to terminate this Lease with respect to one or more Items of Equipment pursuant to Section 14(d) hereof (a "Lessor Termination")) Lessee, as agent for Lessor, shall sell the Items of Equipment to a third party unaffiliated with Lessee. Lessor shall have no duty to solicit bids for, or otherwise sell or offer for sale, such Items of Equipment; provided, however, that should a Lease Event of Default be continuing upon such Early Termination or Lessor Termination, Lessor shall have the sole right to sell the Items of Equipment in a commercially reasonable manner. The total sales price realized at such sale, net of out-of-pocket reasonable expenses incurred by the Lessor and the Owner Participant in connection with the sale (the "Net Sales Price"), shall be paid to Lessor or, so long as the Lien of the Indenture shall not have been discharged, to the Indenture Trustee for distribution as provided in Section 3.02 of the Indenture. In addition, on the date of such sale, Lessee shall pay to Lessor or, if the Lien of the Indenture shall not have been discharged, the Indenture Trustee, or, in the case of Supplemental Rent, to the Person entitled thereto, the sum of: (i) the amount, if any, by which the Termination Value for such Items of Equipment computed as of the Termination Date exceeds the Net Sales Price, plus (ii) all unpaid Supplemental Rent due and payable on or before the Termination Date (including in respect of Make Whole Premium Amount, if any), plus (iii) all unpaid Basic Rent due and payable on or before the Termination Date. Upon such payment by Lessee and Lessor's payment of the principal of the Notes outstanding in the amount required to be paid by it pursuant to Section 2.14(a)(ii) of the Indenture, together with accrued interest thereon to the date of payment, plus any Make Whole Premium Amount thereon and all other sums due and payable on such date to the Noteholders hereunder or under the Indenture, the Participation Agreement or the Notes, and compliance by Lessor with the provisions of this Section 14, this Lease shall terminate (and Lessor shall cause the Indenture Trustee to release the Lien of the Indenture) with respect to the relevant Items of Equipment and Lessor will transfer without recourse or warranty (except as to the absence thereof of Lessor Liens), all of Lessor's right, title and interest in and to such Items of Equipment. Lessee agrees to pay all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable counsel fees and disbursements) of Lessor, the Owner Participant, the Indenture Trustee and the Noteholders in connection with the transactions contemplated by this Section 14. Proceeds (net of expense of sale) in excess of Termination Value will be for the account of Lessor. Lessee will have the right on not more than three occasions to revoke any Termination Notice upon not less than five days' prior written notice by Lessee to Lessor.

(b) Notwithstanding Section 14(a) hereof, Lessor may, subject to Section 14(c) hereof, elect to retain all (but not less than all) of the Items of Equipment specified in a Termination

Notice, by giving Lessee and, if the Lien of Indenture shall not have been terminated, the Indenture Trustee written irrevocable notice of such election not less than 30 days prior to the Termination Date. If Lessor so elects, Lessee shall pay on the Termination Date the sum of:

(i) all Basic Rent due on or before the Termination Date; plus

(ii) all other amounts then due and payable by Lessee under this Lease and any other Operative Document, including any Make Whole Premium Amount, but in no event shall Lessee be liable for the payment of any Termination Value or the principal amount of the Notes allocable to the Items of Equipment subject to the Termination Notice.

(c) If the Lien of the Indenture shall be in effect on any Termination Date, it shall be an absolute condition precedent to Lessor's right to retain the Items of Equipment subject to a Termination Notice that Lessor (or Lessee to the extent set forth in Section 14(b)) shall have paid to the Noteholders on or before such Termination Date the principal amount, the Make Whole Premium Amount (if any) and accrued interest on the Notes, in each case as such amounts are allocable to the Items of Equipment subject to the Termination Notice. Effective on full payment to the Noteholders of all the foregoing amounts, this Lease shall terminate with respect to the Items of Equipment subject to the Termination Notice; provided, that this Lease shall continue in full force and effect unless such amounts are paid in full. If, after giving an irrevocable notice, Lessor fails to make the required payment on the Termination Date, Lessor shall have no further rights to make the election provided for under Section 14(b) hereof with respect to such Termination Notice, and Lessee may complete the pending termination procedure hereunder by giving at least 30 days prior written notice to Lessor of a new Termination Date (if Lessee does not give such notice, such termination procedure shall be deemed discontinued but such discontinuance shall not constitute a revocation pursuant to Section 14(a) hereof).

(d) If any Item of Equipment carries or stores any commodity other than (i) a Permitted Commodity or (ii) any other substance consented to by Lessor, then Lessor may, in its discretion, elect to terminate the Lease with respect to such Item of Equipment, and thereupon Lessee shall, in accordance with Section 14(a) hereof (other than the first three sentences thereof but using, however, the defined terms therein as applicable), arrange for the sale of such Item of Equipment to a Person unrelated to Lessee or its Affiliates and, on a Rent Payment Date selected by Lessor, pay to Lessor the amounts provided for in such Section 14(a). In all events, the aggregate amount payable to Lessor shall consist of the applicable Termination Value (including accrued Rent, if any) for such Rent Payment Date and the other sums specified in clauses (i), (ii) and (iii) of the sixth sentence of Section 14(a) hereof; and in no event shall the Lease terminate with respect to any such Item of Equipment until Lessor (or, so long as the Lien of the Indenture shall not have been discharged, the Indenture Trustee) shall have received all such amounts.

15. LEASE RENEWAL OPTIONS: With respect to each Lease Supplement and the Equipment covered thereby, provided that (i) no Payment Default or Lease Event of Default shall have occurred and be continuing at the time of renewal, (ii) the applicable Term shall not have expired or otherwise terminated and (iii) Lessee shall have given notice of intent to renew at least 180 days

prior to the expiration of the Basic Lease Term or then effective Renewal Term, as applicable; then at the end of the Basic Lease Term Lessee may elect, with respect to such Lease Supplement and the Equipment covered thereby, one of the following options and at the end of any Renewal Term Lessee may elect the option set forth in clause (b) below:

(a) to renew this Lease (the "Fixed Rate Renewal") with respect to the Equipment or any Item of the Equipment (but not less than 15% of the Items of Equipment then subject to the Lease Supplement, such Items to be selected without regard to the condition of such Items) at a fixed rate rental equal to 50% of the average of Basic Rent during the Basic Lease Term for such Items of Equipment for a term (the "Fixed Rate Renewal Term") which does not exceed the lesser of (i) five years and (ii) a period which commences on the expiration of the Basic Lease Term and ends on a date such that (A) the period from the Funding Date to such date would not exceed 80% of the useful life of such Items of Equipment from and after the Funding Date and (B) the Fair Market Value of such Items of Equipment (determined without regard to inflation or deflation) would not be less than 20% of the Equipment Cost thereof, as determined pursuant to the Appraisal Procedure; or

(b) to renew this Lease (the "Fair Market Value Renewal") with respect to the Equipment or any Item of Equipment (but not less than 15% of the Items of Equipment then subject to the applicable Lease Supplement, such Items to be selected without regard to the condition of such Items) at the then Fair Market Rental Value for such Equipment or Items of Equipment, as determined by the mutual written agreement of Lessee and Owner Participant or, in the absence of such agreement, the Appraisal Procedure, for a term (the "FMV Renewal Term") of not less than one year and not more than five years in the aggregate commencing on the expiration of the Basic Lease Term, the Fixed Rate Renewal Term or any FMV Renewal Term, as applicable. "Renewal Term(s)" shall refer to the Fixed Rate Renewal Term or the FMV Renewal Term, or both, as the context shall indicate.

(c) To exercise the Fair Market Value Renewal option set forth in clause (b) above, Lessee shall give to Lessor written notice of its tentative election to renew at least 240 days prior to the proposed renewal date, which notice shall specify the Items of Equipment to be renewed. At least 180 days prior to the expiration of the Basic Lease Term or then effective Renewal Term, as applicable, but in no event sooner than 30 days after the determination of Fair Market Rental Value for the applicable Items of Equipment, Lessee may deliver to Lessor a written notice finally electing to renew this Lease for such Items of Equipment. Failure by Lessee to deliver such written notice finally electing to renew this Lease for such Items of Equipment within the period provided in the preceding sentence shall constitute a waiver of Lessee's option to so renew this Lease as to such Items of Equipment.

(d) Lessee shall have the right, at any time during any Term, to renounce and relinquish its renewal rights under this Section 15 by giving written notice thereof to Lessor.

16. SUBLEASE: Lessee shall have the right, so long as no Lease Default or Lease Event of Default shall have occurred and be continuing, to sublease any or all Items of Equipment, and any sublessee shall have the right to further sublease such Items of Equipment for use within the United

States, Mexico (subject to Section 8(a)) and Canada; provided that the sublessee under such sublease shall not then be the subject of a petition filed under the Bankruptcy Code or other insolvency laws now or hereafter in effect in the United States or other relevant jurisdiction. Any sublease (or sub-sublease) of Items of Equipment shall not extend beyond the applicable Term of this Lease in effect at the time such sublease or sub-sublease is entered into. Notwithstanding any sublease, Lessee will remain primarily liable for the performance of all of its obligations under this Lease and the other Operative Documents to which it is a party to the same extent as if such sublease were not in effect. Any such sublease or sub-sublease will not be assigned to Lessor or the Indenture Trustee but will be expressly subject and subordinate to this Lease, including, without limitation, the right of Lessor to repossess Items of Equipment pursuant to Section 20 of this Lease and to avoid such sublease or sub-sublease upon termination of this Lease, notwithstanding the absence of default under such sublease or sub-sublease. Lessee shall have the further rights to (i) subject any Items of Equipment to normal interchange, pooling or similar arrangements which do not result in the transfer of title to any Item of Equipment, (ii) allow the Equipment to be used for any loading or shipment by a commercial carrier, but only of Permitted Commodities, and (iii) trip lease the Equipment to Lessee's customers in the normal course of Lessee's business, provided that no such arrangements shall diminish or discharge any of Lessee's obligations to Lessor hereunder.

17. ASSIGNMENT BY LESSOR: For the purpose of providing funds for financing the purchase of the Equipment, Lessee acknowledges and agrees (i) that Lessor has assigned, transferred, conveyed, sold and/or encumbered this Lease, the Equipment and the Rent payments (other than Excepted Payments) hereunder to the Indenture Trustee and (ii) that Lessee shall pay directly to Indenture Trustee all Rent payments (other than Excepted Payments) and other sums due or to become due under this Lease and (iii) that the Equipment leased hereunder has been mortgaged by Lessor under the Indenture in favor of Indenture Trustee. THE RIGHTS OF THE INDENTURE TRUSTEE SHALL NOT BE SUBJECT TO ANY DEFENSE, COUNTERCLAIM OR SET-OFF WHICH LESSEE MAY HAVE AGAINST LESSOR, OWNER PARTICIPANT, MANUFACTURER OR ANY OTHER PERSON, EXCEPT AS PROVIDED IN SECTION 4(a)(iii) HEREOF AND SECTION 10.5(b) OF THE PARTICIPATION AGREEMENT. Notwithstanding the foregoing, the rights of the Indenture Trustee under the Indenture and the rights of any Person under any further such assignment, transfer or conveyance (x) shall be subject to Lessee's right to possess and use the Equipment so long as no Lease Event of Default has occurred and is continuing and (y) shall not release any of Lessor's obligations hereunder or any claim which Lessee has against Lessor, Owner Participant or any other Person. To the extent, if any, that this Lease and the Lease Supplements shall constitute chattel paper (within the meaning of any applicable Uniform Commercial Code provision), no security interest in this Lease and the Lease Supplements may be created through the transfer or possession of any counterpart other than the original counterpart, which shall be identified for such purposes as the counterpart containing the receipt therefor executed by the Indenture Trustee as mortgagee under the Indenture on the signature pages hereof or thereof.

18. MAINTENANCE, REPAIRS AND RETURN OF EQUIPMENT:

(a) Without limiting the obligations of Lessee set forth in Section 8 and Section 9 hereof, Lessee shall maintain the Equipment in as good a mechanical and physical condition and repair as when delivered new from manufacturer, normal wear and tear excepted, in a condition suitable for free interchange under the Interchange Rules of the Association of American Railroads, and in compliance in all material respects with all applicable laws and regulations. Lessee will not discriminate in the maintenance of the Equipment or any Item thereof on the basis of ownership, and shall maintain all Items of Equipment in the same manner as similar equipment owned or leased by Lessee, but in any event consistent with Prudent Industry Practice.

(b) At the end of the Basic Lease Term or any Renewal Term with respect to Items of Equipment, unless Lessee has exercised its purchase or renewal options with respect to such Items of Equipment, Lessee will have 180 days (the "Redelivery Period") to return such Items of Equipment to Lessor in groups of at least 25 Items of Equipment at any location in the United States selected by Lessee and reasonably acceptable to Lessor, but in no event at more than four separate locations. This Lease shall remain in effect for the Redelivery Period except that the first 30 days of the Redelivery Period shall be rent free (except for Supplemental Rent, if any); and for the remainder of the Redelivery Period, Lessee shall pay Rent on the unreturned Items of Equipment at the daily equivalent of the Basic Rent for the Basic Lease Term until such Items of Equipment are returned to Lessor. All Equipment so delivered by Lessee to Lessor shall be returned to the designated location free and clear of all Liens (except for Lessor Liens), in the same condition as when first delivered new from the manufacturer to Lessee, reasonable wear and tear resulting from authorized use thereof alone excepted, and in the condition required by this Lease. Lessee shall remove any proprietary identification marks on the Equipment.

19. LEASE EVENTS OF DEFAULT: The occurrence and continuation of any of the following events or conditions shall constitute a "Lease Event of Default" under this Lease:

(a) Lessee or Guarantor shall fail to make any payment of any Basic Rent within ten Business Days from the due date thereof;

(b) Lessee or Guarantor shall fail to make any payment of Stipulated Loss Value, EBO Price or Termination Value (or of any Supplemental Rent due in connection therewith) on the due date therefor;

(c) Lessee or Guarantor shall fail to make any other payment required under this Lease or under any of the other Operative Documents within 30 days after receipt by the Lessee or Guarantor of a written demand for such payment;

(d) Lessee shall fail to maintain insurance required by this Lease;

(e) Lessee or Guarantor shall fail to observe, perform or comply with any of their respective covenants or agreements contained in this Lease (other than those described in clauses (a), (b), (c) and (d) above) or any other Operative Document and such failure continues unremedied for a period of 30 days after receipt of written notice thereof by Lessee, unless Lessee or Guarantor shall be diligently proceeding to correct such failure (but in no event for a total period of longer than 180 days);

(f) Any representation (other than the Tax Representations) by Lessee or Guarantor contained in any Operative Document or in any certificate required to be delivered hereunder or thereunder shall have been incorrect in a material respect when made, shall remain material when discovered and shall not have been cured within 30 days after written notice thereof to Lessee;

(g) Either Lessee or Guarantor, as may be applicable, shall (i) dissolve or terminate its existence, or (ii) discontinue its usual business, or (iii) apply for or consent to the appointment of a receiver, conservator, trustee, custodian or liquidator of it or of all or a substantial part of its property, or (iv) generally fail to pay its debts as they come due in the ordinary course of business, or (v) commence, or file an answer admitting the material allegations of or consenting to, or default in a petition filed against it in, any case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking to have an order for relief entered with respect to it under the Bankruptcy Code, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other similar relief with respect to it or its debts; or

(h) A receiver, conservator, liquidator, custodian or trustee of Lessee or Guarantor or any of their property is appointed by the order or decree of any court or agency or supervisory authority having jurisdiction, and such decree or order remains in effect for more than 60 days; or Lessee or Guarantor obtains an order for relief under the Bankruptcy Code; or any of the property of Lessee or Guarantor is sequestered by court order and such order remains in effect for more than 60 days; or a petition is filed or a proceeding is commenced against Lessee or Guarantor under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 90 days after such filing.

20. REMEDIES:

(a) Generally. Upon the occurrence of any Lease Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may, at its option, declare by written notice to Lessee this Lease to be in default (provided that this Lease shall be deemed to be declared in default without the necessity of such written declaration upon the occurrence of any Lease Event of Default described in paragraph (g) or (h) of Section 19 hereof) and at any time thereafter, so long as any such outstanding Lease Event of Default shall not have been remedied prior to Lessor's commencing to enforce its remedies hereunder, Lessor may do one or more of the following with respect to all or any Item of Equipment as Lessor in its sole discretion shall elect, to the extent

permitted by, and subject to compliance with any mandatory requirements of, applicable law then in effect:

(i) cause Lessee, upon the written demand of Lessor and at Lessee's expense, to return promptly, and Lessee shall return promptly, all or any Item of Equipment as Lessor may so demand to Lessor in the manner and condition required by, and otherwise in accordance with all the provisions of, Section 18(b) hereof, and/or Lessor, at its option, may enter upon any premises under the control of Lessee where all or any Item of Equipment is located and take immediate possession of and remove the same, without the necessity to first institute proceedings, or by summary proceedings or otherwise, all without liability accruing to Lessor for or by reason of such entry, storage or taking of possession or removal, whether for the restoration of damage to property caused by such action or otherwise;

(ii) with or without taking possession thereof, sell all or any Item of Equipment or any part thereof at public or private sale, as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle all or any Item of Equipment or any part thereof as Lessor, in its sole discretion, may determine, all free and clear of any rights of Lessee or any sublessee or any sub-sublessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto except as hereinafter set forth in this Section 20;

(iii) whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under paragraph (i) or paragraph (ii) of this Section 20(a) with respect to all or any Item of Equipment, Lessor, by written notice to Lessee specifying a payment date that shall be not earlier than 20 days from the date of such notice, may demand that Lessee pay to Lessor, and Lessee shall pay Lessor, on the payment date specified in such notice, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the installments of Basic Rent for the Equipment due after the Rent Payment Date occurring on or first preceding the payment date specified in such notice), (A) all unpaid Basic Rent payable or that would have been payable on or prior to such specified payment date, plus (B) whichever of the following amounts Lessor, in its sole discretion, shall specify in such notice: (x) an amount equal to the excess, if any, of the Stipulated Loss Value of the Equipment, computed as of such Rent Payment Date, over the aggregate Fair Market Rental Value of the Equipment for the remainder of the Term, after discounting such aggregate Fair Market Rental Value semi-annually (from the relevant Rent Payment Dates) to present value as of such Rent Payment Date at the highest rate applicable to any of the Notes then outstanding; or (y) an amount equal to the excess, if any, of the Stipulated Loss Value of the Equipment, computed as of such Rent Payment Date, over the Fair Market Value of the Equipment as of such Rent Payment Date (with interest on the amounts specified in clauses (A) and (B) at the Past Due Rate for the Notes from such Rent Payment Date until the date of actual payment of such amount); provided, however, that any Item of Equipment not in the possession of Lessor shall be deemed to have a Fair Market Value of zero; and, in the case of any Item of Equipment not in the possession of Lessor which is deemed to have a Fair Market Value of zero as aforesaid, upon any final payment by Lessee of the amounts specified

in this clause (iii), Lessor will deliver to Lessee a bill of sale to evidence the sale of such Item or Items of Equipment to Lessee (which bill of sale shall be "as-is", where-is" and shall contain warranties as to Lessor's good title and the absence of any Lessor Liens) and the Indenture Trustee will execute a document releasing such Item or Items of Equipment from the Lien of the Indenture;

(iv) in the event Lessor, pursuant to paragraph (ii) of this Section 20(a), shall have sold the Equipment or any Item or any interest or part therein, Lessor, in lieu of exercising its rights under paragraph (iii) of this Section 20(a) with respect to the Equipment, may, if it shall so elect, demand that Lessee pay to Lessor, and Lessee shall pay Lessor, on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the installments of Basic Rent for the Equipment due on or after the date as of which the Stipulated Loss Value thereof is calculated as hereinafter provided in this paragraph (iv) (the "SLV Calculation Date")), the sum of (A) all unpaid Basic Rent due on or prior to the SLV Calculation Date, plus (B) the amount of the excess of the Stipulated Loss Value computed as of the Rent Payment Date on or immediately preceding the date of such sale over the net proceeds of such sale (after deduction of all costs and expenses of sale including, without limitation, sales and transfer taxes) together with interest, if any, on the amount of such sum, at a rate per annum equal to the Past Due Rate for the Notes from the SLV Calculation Date to the date of such payment;

(v) Lessor, in lieu of exercising its rights under paragraphs (ii), (iii) or (iv) above, by notice to Lessee specifying a payment date that shall be not earlier than 20 days from the date of such notice, may demand that Lessee pay to Lessor, and Lessee shall pay Lessor, on the date specified in such notice, as liquidated damages for loss of a bargain and not as a penalty, and in lieu of the Basic Rent for the Equipment due after the Rent Payment Date occurring on or first preceding such payment date, the sum of (A) all unpaid Basic Rent payable or that would have been payable on or prior to such specified payment date plus (B) an amount equal to the Stipulated Loss Value for the Equipment computed as of such Rent Payment Date, together in each case with interest at the Past Due Rate for the Notes on the amount of such sums from such Rent Payment Date until the date of actual payment; and upon such payment of liquidated damages and all other Rent then due and payable by Lessee hereunder, Lessor shall transfer title and ownership of the affected Item or Items of Equipment to Lessee, "as-is, where-is", and free and clear of the Lien of the Indenture and all other Lessor Liens; further, Lessor will deliver to Lessee a bill of sale to evidence the sale of such Item or Items of Equipment to Lessee (which bill of sale shall be "as-is, where-is" and shall contain warranties as to Lessor's good title and the absence of any Lessor Liens) and Indenture Trustee will execute a document releasing such Item or Items of Equipment from the Lien of the Indenture; and/or

(vi) Lessor may cancel, rescind or terminate this Lease as to all or any Item of Equipment; and/or

(vii) Lessor may exercise any other right or remedy that may be available to it under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof.

(b) Liability for Other Amounts. In addition, Lessee shall be liable for any and all unpaid Supplemental Rent due hereunder before, after or during the exercise of any of the foregoing remedies and for all reasonable legal fees and other costs and expenses (including fees of all appraisers hereinabove referred to together with all reasonable costs and expenses of such appraisers) incurred by Lessor, as Owner Trustee and in its individual capacity, the Indenture Trustee, the Noteholders and the Owner Participant by reason of the occurrence of any Lease Event of Default or the exercise of Lessor's remedies with respect thereto, including all reasonable costs and expenses incurred in connection with the retaking or return of the Equipment in accordance with the terms of Section 20(a)(i) hereof or in placing the Equipment in the condition required by Section 18(b) hereof.

(c) Sale of the Equipment. The Equipment may be sold at public or private sale, provided that Lessor shall provide Lessee at least 10 days' prior written notice of a public sale. At any public sale of any Item of Equipment or any part thereof pursuant to this Section 20, the Indenture Trustee, the Noteholders and/or the Owner Participant may bid for and purchase such property. Each Noteholder shall be entitled, at any sale of any Item of Equipment pursuant this Section 20, to credit against any purchase price bid at such sale by such Noteholder all or any part of the unpaid obligations owing to such Noteholder and secured by the Lien of the Indenture.

(d) Remedies Cumulative; One Satisfaction. Except as otherwise expressly provided above, no remedy referred to in this Section 20 is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity; and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all of such other remedies. In no event shall Lessor be entitled to more than the sum of (i) Lessor's damages as determined pursuant to Section 20(a) hereof and (ii) the other amounts specified in Section 20(b) hereof.

(e) No Waiver. No express or implied waiver by the Lessor of any Lease Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Lease Event of Default. The Lessor's access to the Equipment is of the essence and shall not be impaired.

21. 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.

22. NOTICES: Any notice or other communication given under this Lease shall be sent in the manner and to the address specified pursuant to Section 10.1 of the Participation Agreement.

23. ENTIRE AGREEMENT; AMENDMENTS AND WAIVERS:

(a) This Lease and the other Operative Documents constitute the entire agreement between Lessor and Lessee with respect to the Equipment and the subject matter of this Lease.

(b) Any term, covenant, agreement or condition of this Lease may be amended or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively) only by an instrument or instruments in writing executed by both Lessor and Lessee with, to the extent required by the Indenture, the written consent of the Indenture Trustee (so long as the Lien of the Indenture shall not have been discharged), except that Lessor may insert the serial number of any Item of Equipment on the appropriate Lease Schedule after delivery thereof. No express or implied waiver by Lessor of any Lease Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Lease Event of Default whether similar in kind or otherwise.

24. CONSTRUCTION: THIS LEASE SHALL BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK AND THE PROVISIONS OF THIS LEASE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THAT STATE. 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.

25. PARTIES: The provisions of this Lease shall be binding upon, and inure to the benefit of, the assigns, transferees, representatives and successors of Lessor and Lessee.

26. LESSEE'S QUIET ENJOYMENT: So long as no Lease Event of Default shall have occurred and be continuing, Lessee's quiet enjoyment of the Equipment shall not be disturbed by any Person 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.

27. LESSEE'S PURCHASE OPTIONS:

(a) Upon not less than 60 days' prior written notice to Lessor and provided that no Payment Default or Lease Event of Default shall have occurred and be continuing, Lessee may elect to purchase on the EBO Date all or part (but not less than 40% of the Equipment) of the total number of Items of Equipment, such Items to be selected without regard to the condition of such Items (each, an "Early Buy-Out Option") either (i) for a cash price equal to the EBO Price for such Items or (ii) if Lessee exercises its assumption rights under Section 8.2 of the Participation Agreement, for a cash price equal to the EBO Price less the principal amount of the Notes being assumed with respect to such Items of Equipment. In the event that Lessee shall have so elected to purchase Items of Equipment, on the EBO Date Lessee, at its option, shall either (I) pay to Lessor (i) the EBO Price, plus (ii) all Supplemental Rent due and payable on or before such EBO Date, plus

(iii) all unpaid Basic Rent due and payable on or before such EBO Date with respect to the Items of Equipment being so purchased (the sum of the amounts listed in clauses (i), (ii) and (iii) being referred to as the "Purchase Price"), or (II) so long as no Payment Default or Lessee Event of Default shall have occurred and be continuing, pay to Lessor the initial installment of the EBO Price, together with the amounts referred to in clauses (ii) and (iii) of clause (I) above, on the EBO Date and the balance in installments thereafter, in amounts equal to the percentages of Equipment Cost of the relevant Equipment specified in the Lease Supplement for such Equipment on the dates set forth therein. In either case Lessor will convey such Equipment to Lessee in the manner described in clause (d) of this Section 27.

Lessee shall elect its payment option in the applicable notice given pursuant to this Section 27(a). In the event that Lessee elects the option specified in clause (II) above, then with respect only to any Equipment so being purchased, on the EBO Date after giving effect to the payment in full of all amounts due on such date,

(x) Sections 14, 15 and 18(b) shall be of no further force and effect,

(y) the Basic Rent shall cease to accrue, and

(z) if the Guarantor is not, at the time of such election and as of the EBO Date, Investment Grade (as defined below), this Lease shall be deemed terminated as a true lease, and this Lease shall continue as a lease for security, *mutatis mutandis*, to secure for Lessor the obligation of Lessee to make the remaining installments; and, if the Guarantor is at such times at least Investment Grade, this Lease shall terminate both as a true lease and as a lease for security and Lessee's obligation to make the remaining installments shall be its unsecured obligation.

For purposes of this Section 27(a), "Investment Grade" means that:

(i) if the long-term indebtedness of Guarantor is rated only by Moody's Investor Services, Inc. ("Moody's") the rating assigned by Moody's to such indebtedness shall be not less than Baa2, if the long-term indebtedness of Guarantor is rated only by Standard and Poor's Ratings Group ("S&P") the rating assigned by S&P to such indebtedness shall be not less than BBB, and if the long-term indebtedness of Guarantor is rated by both Moody's and S&P the rating assigned by Moody's to such indebtedness shall be not less than Baa2 and the rating assigned by S&P to such indebtedness shall be not less than BBB; or

(ii) if the long-term indebtedness of Guarantor is not rated by either Moody's or S&P but any issue of long-term indebtedness is rated by the National Association of Insurance Commissioners ("NAIC"), such indebtedness shall by rated not less than NAIC-2; or

(iii) if the long-term indebtedness of Guarantor is not rated by any one or more of Moody's, S&P and NAIC, the commercial paper of Guarantor, if rated, shall be rated P-1 by Moody's (if rated only by Moody's), shall be rated A-1 by S&P (if rated only by S&P) or shall be rated P-1 by Moody's and A-1 by S&P (if rated by both Moody's and S&P);

or, in each case, a comparable rating by any successor rating service.

(b) Upon not less than 180 days' prior irrevocable written notice to Lessor, Lessee may elect to exercise at the end of the applicable Basic Lease Term or any applicable Renewal Term either of the following rights to purchase the Equipment or any Item or Items thereof (the "Fair Market Value Purchase Option"):

(i) if Lessee shall have previously exercised its Early Buy-Out Option, then Lessee will have the right to purchase all but not less than all of such Items of Equipment subject to this Lease for their then Fair Market Value (as determined by the Appraisal Procedure with respect to such Items of Equipment); or

(ii) if Lessee shall not have exercised its Early Buy-Out Option, then Lessee may purchase all or part (but not less than 50 Items of Equipment) of the Equipment at their then Fair Market Value (as determined by the Appraisal Procedure with respect to such Items of Equipment).

(c) To exercise either of the options set forth in clause (b) above, Lessee shall give to Lessor written notice of its tentative election to purchase at least 240 days prior to the proposed purchase date, which notice shall specify the Items of Equipment to be purchased and, upon the earlier of (i) 30 days after the determination of Fair Market Value for the applicable Items of Equipment and (ii) 180 days prior to the earlier of the last day of the applicable Basic Lease Term or any applicable Renewal Term, Lessee may deliver to Lessor an irrevocable written notice finally electing to purchase such Items of Equipment. Failure by Lessee to deliver such written notice finally electing to purchase such Items of Equipment within the period provided in the preceding sentence shall constitute a waiver of Lessee's option to purchase such Items of Equipment.

(d) Upon payment by Lessee of the purchase price for the Item or Items of Equipment or, in the case of a purchase pursuant to clause (II) of Section 27(a) of this Lease, upon payment by Lessee of the initial installment of the purchase price for the Item or Items of Equipment, in either case together with all other amounts owing under this Lease or any of the other Operative Documents (including, without limitation, the amounts required to be paid on the Notes pursuant to Section 2.14(a)(iii) of the Indenture in connection with the exercise of an Early Buy-Out Option), Lessor will transfer to Lessee title and ownership of the Item or Items of Equipment purchased by Lessee under this Section 27, free and clear of the Lien of the Indenture and all Lessor Liens; further, Lessor will deliver to Lessee a bill of sale to evidence the sale of such Item or Items of Equipment to Lessee (which bill of sale shall be "as-is, where-is" and shall contain warranties as to Lessor's good

title and the absence of any Lessor Liens) and Indenture Trustee will execute a document releasing such Item or Items of Equipment from the Lien of the Indenture.

(e) In the event that any principle or provision of the accounting laws or rules of the kingdom of Belgium or the European Union or an Authority thereof changes and such change could, as evidenced by a letter (the "Capitalization Letter") from recognized independent accountants in Belgium, selected by Lessee and reasonably acceptable to Lessor, result in Lessee and/or Guarantor or any Affiliate having to capitalize any portion or all of the lease created herein, Lessor and the Owner Participant shall negotiate in good faith with the Lessee in an effort to restructure the terms of this Lease so as to avoid such capitalization. In the event that no agreement as to such restructuring shall result within 60 days from delivery of the Capitalization Letter to Lessor, Lessee shall have the right, for a period of 30 days, to elect to purchase all of the Items of Equipment subject to this Lease (the "Burdensome Buyout Option"). Such option to purchase such Items of Equipment shall be exercised upon written notice from Lessee to Lessor given at least 30 days prior to any buyout hereunder (the date of such buyout to be specified in such notice) (the "Buyout Date"). Upon the Buyout Date, the Lessee shall pay to the Lessor an amount (the "Burdensome Buyout Price") equal to (i) the greater of (x) the Termination Value of the Equipment and (y) the Fair Market Value with respect to the Equipment to be purchased plus (ii) all Supplemental Rent due and payable on or before the Buyout Date plus all unpaid Basic Rent due and payable on or before the Buyout Date plus all other amounts owing under this Lease or any of the other Operative Documents (including, without limitation, the amounts required to be paid on the Notes pursuant to Section 2.14(a)(iv) of the Indenture. Upon payment by Lessee of such amounts, the Term shall end and Lessor will transfer to Lessee title and ownership of the Items of Equipment purchased by Lessee under this clause (e) free and clear of the Lien of the Indenture and all Lessor Liens; further, Lessor will deliver to Lessee a bill of sale to evidence the sale of such Items of Equipment to Lessee (which bill of sale shall be "as-is, where-is" and shall contain warranties as to Lessor's good title and the absence of any Lessor Liens) and Indenture Trustee will execute a document releasing such Items of Equipment from the Lien of the Indenture.

28. EVENT OF LOSS:

(a) Lessee shall promptly notify Lessor of the occurrence of an Event of Loss with respect to any Item or Items of Equipment. Within 60 days after the occurrence of such Event of Loss, Lessee shall elect one of the following two alternatives (failure by Lessee to make such election within 60 days after the occurrence of such Event of Loss or to effect a substitution pursuant to alternative (ii) below within 120 days of such Event of Loss being deemed in either case an election of alternative (i) below):

(i) Lessee shall pay or cause to be paid to Lessor on the Loss Payment Date with respect to such Event of Loss (collectively, the "SLV Obligations") (A) the Stipulated Loss Value with respect to such Item or Items of Equipment computed as of the Rent Payment Date occurring on or immediately prior to such Event of Loss, plus (B) all other unpaid amounts of Supplemental Rent due and payable on or before such Loss Payment Date plus (C) the daily equivalent of

Basic Rent with respect to the Items of Equipment subject to the Event of Loss from and including such Rent Payment Date to, but not including, such Loss Payment Date; or

(ii) provided that no Payment Default or Lease Event of Default shall have occurred and be continuing and that Lessee shall have reimbursed the reasonable out-of-pocket costs and expenses (including, without limitation, reasonable counsel fees and disbursements) of Lessor, the Owner Participant, the Indenture Trustee and the Noteholders in connection with the matters contemplated by this Section 28(a)(ii), Lessee shall convey or cause to be conveyed to Lessor, within 120 days of such Event of Loss, as replacement for any such Item or Items of Equipment with respect to which an Event of Loss shall have occurred, title to Replacement Equipment of the same type free and clear of all Liens other than Permitted Liens and having an age not greater than and a value, capacity, utility and remaining useful life at least equal to, and being in as good operating and physical condition as, such Equipment with respect to which an Event of Loss occurred assuming such Equipment was in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss. In the event of the substitution of Replacement Equipment while the Lien of the Indenture has not been discharged, all provisions of the Indenture relating to the Items of Equipment being replaced shall be applicable to such Replacement Equipment with the same force and effect as if such Replacement Equipment were the same equipment as the Items of Equipment being replaced but for the Event of Loss with respect to the Items of Equipment being replaced.

(b) In the event Lessee elects to provide Replacement Equipment pursuant to clause (a)(ii) of this Section 28, Lessee shall furnish to Lessor the following documents with respect to each Item of Replacement Equipment: (i) a general warranty bill of sale, (ii) a Lease Supplement, (iii) an Indenture Supplement, (iv) at the election of Owner Participant, either a favorable legal opinion as to the absence of adverse tax consequences to either or both of Lessor and Owner Participant as a result of such substitution, or an indemnity to each of Lessor and Owner Participant from any such adverse tax consequences; (v) an appraisal of such Replacement Equipment; and (vi) evidence of insurance (subject however, to Lessee's right to self-insure pursuant to Section 10 hereof).

(c) After Lessee's obligations under clause (a) of this Section 28 have been satisfied, (i) Lessee shall have no further obligation to pay Basic Rent for the Items of Equipment affected by the Event of Loss and (ii) Lessee shall be deemed to have purchased such Item or Items of Equipment and Lessor will transfer title and ownership of such Item or Items of Equipment to Lessee, free and clear of the Lien of the Trust Indenture and all Lessor Liens; further, Lessor will deliver to Lessee a bill of sale to evidence the sale of such Item or Items of Equipment to Lessee (which bill of sale shall be "as-is, where-is" and shall contain warranties as to Lessor's good title and the absence of any Lessor Liens) and the Indenture Trustee will execute a document releasing such Item or Items of Equipment from the Lien of the Indenture.

(d) Any payments received at any time by Lessor or by Lessee or the Indenture Trustee from any insurer, railroad, governmental authority or other party with respect to an Event of Loss resulting from damage to, or the condemnation, confiscation, theft or seizure of, or requisition of title to or use of, the Items of Equipment subject to an Event of Loss shall be applied as follows:

(i) if Lessee elects to pay the Stipulated Loss Value for such Item of Equipment pursuant to clause (a)(i) hereof, (A) so much of such payments as shall be required to satisfy in full the SLV Obligations shall be applied by Lessor (or, if the Lien of the Indenture shall not have been discharged, the Indenture Trustee) in reduction of Lessee's obligation to pay such SLV Obligations, if not already paid by Lessee, and the remaining balance of such payments (if any) shall be paid over to, or retained by, Lessee or (B) if the SLV Obligations shall have been paid by Lessee, all such payments shall be paid over to, or retained by, Lessee; provided that if a Payment Default or a Lease Event of Default shall have occurred and be continuing, any such amounts due to Lessee under this clause (d)(i) shall be held pursuant to Section 30 hereof as security for Lessee's obligations hereunder and under the Participation Agreement; and

(ii) if Lessee elects to provide substitute Equipment pursuant to clause (a) of this Section 28, all such payments shall be paid over to, or retained by, Lessee; provided that Lessee shall have fully performed the terms of this Section 28 with respect to the Event of Loss for which such payments are made and provided further that if a Payment Default or a Lease Event of Default shall have occurred and be continuing, such proceeds shall be held pursuant to Section 30 hereof as security for Lessee's obligations hereunder and under the Participation Agreement.

29. FURTHER ASSURANCES: Lessee shall execute and deliver to Lessor or the Indenture Trustee upon Lessor's or the Indenture Trustee's request, as the case may be, such instruments and assurances and take such other actions as Lessor or the Indenture Trustee, as the case may be, 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 or for the perfection of the Lien of the Indenture and the establishment and protection of the rights and remedies created or intended to be created in favor of the Indenture Trustee hereunder and under the Indenture; provided that with respect to the use, operation or sublease of any Items of Equipment in Canada and Mexico pursuant to the terms of Section 8 and 16 hereof, the Lessee shall take all such reasonable actions at the request of the Lessor or the Indenture Trustee to the extent legally possible. 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 be precautionary only and shall not be deemed evidence of any intent to create a security interest under the Uniform Commercial Code.

30. INVESTMENT OF SECURITY FUNDS: Any amounts not payable to Lessee (which amounts shall be paid to or retained by Lessor (or, so long as the Indenture shall be in effect, the Indenture Trustee)) pursuant to any provision of Sections 10 and 28 hereof or this Section 30 solely because a Payment Default or a Lease Event of Default shall have occurred and be continuing or because Lessee shall not have performed in full its obligations under Section 10 or Section 28, shall, in each case, be held by Lessor (or, so long as the Indenture shall be in effect, the Indenture Trustee) as security for the obligations of Lessee under this Lease and the Participation Agreement. At such time as no Lease Event of Default or failure to perform shall be continuing, such amounts, including all earnings thereon but net of any amounts previously applied to Lessee's obligations hereunder or under the Participation Agreement, shall be paid to Lessee. Any such amounts which are held by Lessor (or, so long as the Indenture shall be in effect, the Indenture Trustee) pending payment to Lessee shall, until paid to Lessee as provided hereunder or, as long as the Indenture is in effect, until applied against Lessee's obligations hereunder and under the Participation Agreement and distributed as provided in the Indenture or (after Indenture is no longer in effect) in connection with any exercise of remedies hereunder, be invested by Lessor (or, so long as the Lien of the Indenture shall not have been discharged, the Indenture Trustee) in Permitted Investments as directed from time to time in writing by Lessee.

31. COUNTERPARTS: This Lease may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

**[SIGNATURES AND ACKNOWLEDGMENTS FOLLOW]**

LESSEE HEREBY ACKNOWLEDGES RECEIPT OF AN EXECUTED AND TRUE COPY OF THIS LEASE AND THAT THIS LEASE IS NON-CANCELABLE.

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

LESSOR:

WILMINGTON TRUST COMPANY,
not in its individual capacity
but solely as trustee, as Lessor

By:_____
Name: Donald G. MacKelcan
Title: Vice President

LESSEE:

SOLVAY POLYMERS, INC.

By:_____
Name: G. N. Miertschin
Title: Vice President Commercial Operations

## [SURFACE TRANSPORTATION BOARD ACKNOWLEDGMENT]

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on April 23, 1999, by G. N. Miertschin, Vice President Commercial Operations of SOLVAY POLYMERS, INC., a Delaware corporation.

K. Denise Cormier
Notary Public in and for
the State of Texas

## [REGISTRAR GENERAL ACKNOWLEDGMENT]

STATE OF TEXAS §
§
COUNTY OF HARRIS §

On this 23 day of April, 1999, before me personally appeared, G. N. Miertschin, to me personally known, being by me duly sworn, says that he is the Vice President Commercial Operations of SOLVAY POLYMERS, INC. (the "Corporation") and that the said instrument attached hereto was signed on behalf of the Corporation under the authority of the board of directors on April 23, 1999 and he acknowledged that the execution of the said instrument was the act and deed of the Corporation.

K. Denise Cormier
Notary Public in and for
the State of Texas

## [SURFACE TRANSPORTATION BOARD ACKNOWLEDGMENT]

STATE OF DELAWARE §
§
COUNTY OF NEW CASTLE §

On this 26th day of April, 1999, before me personally appeared Donald G. MacKelcan, to me known, who, being by me duly sworn, did depose and say that he/she is a Vice President of WILMINGTON TRUST COMPANY, the corporation described in and which executed the foregoing instrument; and that he/she signed his/her name thereto by authority of the Board of Directors of said corporation.

Janel R. Havrilla
Notary Public in and for
the State of Delaware

My Commission Expires: JANEL R. HAVRILLA
NOTARY PUBLIC-DELAWARE
My Commission Expires February 2, 2001

## [REGISTRAR GENERAL ACKNOWLEDGMENT]

STATE OF DELAWARE §
§
COUNTY OF NEW CASTLE §

On this 26th day of April, 1999, before me personally appeared Donald G. MacKelcan, to me personally known, being by me duly sworn, says that he/she is a Vice President of WILMINGTON TRUST COMPANY (the "Corporation") and that the said instrument attached hereto was signed on behalf of the Corporation under the authority of the board of directors on April 26, 1999 and he/she acknowledged that the execution of the said instrument was the act and deed of the Corporation.

Janel R. Havrilla
Notary Public in and for
the State of Delaware

My Commission Expires: JANEL R. HAVRILLA
NOTARY PUBLIC-DELAWARE
My Commission Expires February 2, 2001