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RECORDATION NO 17918 FILED 1425

AUG 14 1992 -3 30 PM

INTERSTATE COMMERCE COMMISSION

August 14, 1992

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Madam:

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

1. This document is a lease, a primary document, dated as of August 1, 1992.

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

Lessor:

The Connecticut National Bank
777 Main Street
Hartford, Connecticut 06115

Lessee:

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

A description of the equipment covered by the document follows: two hundred sixty eight (268) 5800 cu. ft. plastic pellet covered hopper cars manufactured by ACF Industries, Incorporated, ELTX Nos:

2000 - 2010
2012 - 2127
2129 - 2131
2133 - 2151
2153 - 2166
2168 - 2200
2202 - 2219
2221 - 2235
2238

2240 - 2243
2245 - 2247
2249 - 2251
2253 - 2256
2258 - 2263
2265
2267 - 2268
2270 - 2273
2275 - 2277
2280
2282
2284 - 2287
2290 - 2291

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

Lease Agreement between The Connecticut National Bank, as Trustee, as Lessor, and Solvay Polymers, Inc., as Lessee, dated as of August 1, 1992.

2. This document is a security agreement, a primary document, dated as of August 7, 1992.

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

Debtor: The Connecticut National Bank
777 Main Street
Hartford, Connecticut 06115

Lenders: Massachusetts Mutual Life Insurance Company
1295 State Street
Springfield, Massachusetts 01111

MML Pension Insurance Company
1295 State Street
Springfield, Massachusetts 01111

A description of the equipment covered by the document follows: two hundred sixty eight (268) 5800 cu. ft. plastic pellet covered hopper cars manufactured by ACF Industries, Incorporated, ELTX Nos:

2000 - 2010
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2253 - 2256
2258 - 2263
2265
2267 - 2268
2270 - 2273
2275 - 2277
2280
2282
2284 - 2287
2290 - 2291

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

Security Agreement between the Connecticut National Bank, as Trustee, as Debtor, and Massachusetts Mutual Life Insurance Company and MML Pension Insurance Company, as Lenders, dated as of August 7, 1992.

A fee of $32.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to:

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

Very truly yours,

Leonard A. Potter / DNB

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

C:\DOCS\01870\SOLVAY\ICC.LTR

RECORDATION NO. 17918-A FILED 1425

AUG 14 1992 -3 30 PM

INTERSTATE COMMERCE COMMISSION

DAY, BERRY & HOWARD
Draft of August 13, 1992
4:39pm

SECURITY AGREEMENT

Dated as of August 1, 1992

Between

THE CONNECTICUT NATIONAL BANK

not in its individual capacity,
but solely as trustee,

as Debtor and Lessor

and

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

and

MML PENSION INSURANCE COMPANY

as Lenders

Relating to

Up to 375 Railroad Hopper Cars

SECURITY AGREEMENT

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Exhibit A Form of Note
Exhibit B Definitions

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this Security Agreement) is made as of August 1, 1992, between The Connecticut National Bank, a national banking association with its principal place of business at 777 Main Street, Hartford, Connecticut 06115, not in its individual capacity but solely as trustee (Debtor) under the Trust Agreement, dated as of August 1, 1992 with NYNEX Credit Company (Owner Beneficiary), Massachusetts Mutual Life Insurance Company, a Massachusetts corporation, with its principal place of business at 1295 State Street, Springfield, Massachusetts 01111 and MML Pension Insurance Company, a Massachusetts corporation, with its principal place of business at 1295 State Street, Springfield, Massachusetts 01111 (collectively, Lenders).

WITNESSETH

Lenders have made a loan to Debtor in the aggregate original principal amount of $14,250,000 (plus or minus 5%), as evidence of such loan, Debtor will issue its Secured Notes Due 2012 each of which will be substantially in the form attached hereto as Exhibit A (each a Note and collectively the Notes) to Lenders, the due and punctual payment of which is to be secured by this Security Agreement;

Debtor will use the proceeds of such loan to acquire or refinance the Equipment and lease the Equipment to the Lessee. Capitalized terms used in this Security Agreement and not otherwise defined have the meanings set out in Exhibit B.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and in order to secure the payment of the principal and interest and all other sums due under the Notes, Lenders and Debtor hereby agree as follows:

Section 1. Issuance and Sale of the Notes.

1. Purchase by Lenders. Debtor agrees to sell to Lenders and, subject to fulfillment of the conditions specified in this Section 1, Lenders shall purchase from Debtor on each Closing Date a Note or Notes with respect to an executed Lease Schedule, in the aggregate original principal amount of $14,250,000, plus or minus 5% ("Total Commitment"). Each Note shall be payable to the order of one of the Lenders or the order of such nominee of such Lenders as such Lenders may specify by written notice delivered to Debtor.

2. Closings.

(a) There shall be not more than three Closing Dates (hereinafter termed, respectively, the "First Closing", the "Second Closing", and the "Third Closing"), as follows:

(i) The First Closing shall be in respect of not less than $6,750,000 principal amount of Notes and shall occur not later than August 14, 1992. Any portion of this Total Commitment not funded at the First Closing shall be carried over to the Second Closing and shall bear interest at the interest rate for the Second Closing as set forth in Section 2(b), below.

(ii) The Second Closing shall be in respect of any amount up to the remaining Total Commitment and shall occur not later than October 9, 1992. Any portion of the Total Commitment not funded at the Second Closing shall be carried over to the Third Closing and shall bear interest at the interest rate for the Third Closing as set forth in Section 2(b), below.

(iii) the Third Closing shall occur not later than November 12, 1992 at the interest rate for the Third Closing, as set forth in 2(b) below.

Each Closing shall take place on a Closing Date at the offices of Morgan, Lewis & Bockius, 101 Park Avenue, New York, New York 10178. On such Closing Date, Lenders shall pay to Debtor the purchase price of the Note or Notes purchased on such Closing Date in immediately available funds. Upon receipt of such amount, Debtor will have paid or will simultaneously pay its Equity Investment in the Equipment and deliver to Lenders its Note or Notes in an aggregate principal amount equal to the purchase price thereof.

(b) The interest rate on Notes issued at the First Closing will be 8.17%; at the Second Closing 8.22% and at the Third Closing (if any) 8.27%.

3. Conditions Precedent to Purchase of Notes Closing Dates. The obligation of Lenders to purchase a Note or Notes hereunder on each Closing Date shall be subject to fulfillment of the following conditions on or prior to such Closing Date to the satisfaction of Lenders:

(a) Fully executed copies of this Agreement, the Lease, the Lease Schedule (marked to show its assignment to

Lenders), the Guaranty and the Supplemental Agreement herein referred to as the LESSEE CONSENT AND RENT ASSIGNMENT LETTER shall have been delivered to Lenders.

(b) The Lease, the Lease Schedule, this Agreement and the Guaranty shall have been duly filed and recorded in conformity with 49 U.S.C. Section 11303 of the Interstate Commerce Act and in such other place or places within the United States and Canada as may be necessary for the protection of the title of Debtor, as lessor of, and the security interest of Lenders in, the Equipment and Lenders shall have received an opinion of Morgan, Lewis & Bockius, addressed to Lenders, with respect to such filings within the United States;

(c) Lenders shall have received certificates of such insurance, if any, as Lessee is required to maintain pursuant to Section 14 of the Lease.

(d) Lenders shall have received certified copies of the appropriate corporate proceedings of the respective boards of directors of Debtor, Lessee and Guarantor with respect to the authorization of this Agreement, the Trust Agreement, the Notes, the Lease, the Guaranty, the LESSEE CONSENT AND RENT ASSIGNMENT LETTER and the other instruments contemplated herein and therein and to the execution, delivery and performance thereof by the respective parties, each such certificate to be dated the First Closing Date.

(e) Lenders shall receive certified copies of the organizational documents of Debtor, Lessee and Guarantor.

(f) The representations and warranties of Debtor contained herein, of Lessee contained in the Lease, of Guarantor contained in the Guaranty and of each such party in any certificate delivered pursuant thereto and hereto shall be true and correct on and as of each Closing Date; on each Closing Date there shall be no default hereunder or by Debtor under the Lease or to the best of Debtor's knowledge, by Lessee under the Lease or Guarantor under the Guaranty, or the occurrence of any event which, but for the lapse of time or the giving of notice or both, would be such a default; and Lenders shall have received on each Closing Date from each of Debtor, Lessee and Guarantor a certificate to such effect respecting the representations, warranties and nondefault, dated the Closing Date and signed by a

duly authorized representative of Debtor, Lessee or Guarantor, as the case may be.

(g) Lenders shall have received a signed opinion, dated the Closing Date, from each of counsel to Debtor, Lessee and Guarantor in form and substance acceptable to Lenders.

(h) Lenders shall have received certificates, dated the First Closing Date, of Debtor, Lessee and Guarantor showing the incumbency and the specimen signatures of the officers of Debtor, Lessee and Guarantor who will execute this Agreement, the Trust Agreement, the Notes, the Lease, the Guaranty, the LESSEE CONSENT AND RENT ASSIGNMENT LETTER and the other instruments contemplated herein and therein.

(i) Lenders shall have concluded that there shall have been no material adverse change from or condition affecting the business of the Lessee or Guarantor, since December 31, 1991.

(j) Lenders shall receive such evidence of fulfillment of the foregoing conditions of this Section 1 including, without limitation, certificates of officers of Lessee, Debtor, Guarantor, public officials and others, as Lenders may reasonably require to establish to its satisfaction the fulfillment of such conditions.

(k) Lenders shall have received the fully executed Notes to be purchased by Lenders with respect to each Lease Schedule.

(l) Lenders shall have received a copy of a full warranty bill of sale from the seller of each item of Equipment to Debtor evidencing the transfer of title thereto to Debtor.

(m) Lenders shall have received an executed Acceptance Notice with respect to each Lease Schedule relating to each Closing Date.

(n) Lenders shall have received such Uniform Commercial Code financing statements, executed by Debtor, as debtor, and Lenders, as secured parties, as are necessary to perfect all of the security or other interests created hereunder and such "precautionary" Uniform Commercial Code financing statements, executed

by Lessee, as debtor, for the benefit of Debtor, as lessor, and Lenders, as assignees of Debtor, as are necessary to perfect the ownership and security interests in the Equipment.

(o) Rent and Stipulated Loss Values shall at all times be equal to, or greater than, payments of principal and interest due on the Notes at the time such Rent and Stipulated Loss values shall be payable.

(p) Lenders shall have received an agreement in form and substance satisfactory to them with respect to, among other things, the initial payment due on the Notes.

Section 2. Grant of Security Interest.

As security for the payment and performance of obligations of the Debtor under the Notes and this Security Agreement (other than the obligation to pay any Make Whole Premium which Make Whole Premium is secured only by Lessee's obligation under the Lease to make the same), Debtor hereby gives, grants and assigns to Lenders a security interest in and lien on all of Debtor's rights in the following described property (but excluding in all cases Excluded Payments and Excepted Rights, as hereinafter defined) now owned by Debtor or to be purchased by Debtor with the proceeds of the Notes (hereinafter called the Collateral):

1. The Lease, each Lease Schedule and all rights, title and interest of Debtor as lessor thereunder, including, without limitation, the right to receive notices and give consents under the Lease, and all Rent due or to become due under the Lease and each Lease Schedule; all rights, claims and causes of action, if any, which Debtor may have thereunder; all bills of sale, invoices and other documents (and all rights, title and interests of Debtor thereunder) now or hereafter delivered by the manufacturer or seller with respect to any item or items of Equipment, including (without limitation) any documents transferring any interest in any warranty, together with, in each and every case, all proceeds thereof.

2. The Equipment, now owned or hereafter acquired, wherever located, leased by Debtor, as lessor, to Lessee under the Lease and each Lease Schedule, including all additions, accessions, replacements and substitutions therefor, and all proceeds thereof and therefrom, including all sums realized upon the sale or other disposition of such Equipment, all sums due or to become due in connection with the exercise by Lessee of any option, or in connection with any obligation of Lessee or any

other party, to purchase such Equipment, and all sums (including insurance proceeds) payable in connection with any loss, damage or destruction of an item or items of Equipment or any early termination or cancellation of the Lease with respect to such Equipment.

3. The Guaranty and any interest of Debtor therein and any proceeds thereof paid or payable to Debtor thereunder.

So long as Lessee is not in default of any of its obligations under the Lease, the interest of Lenders in the Lease and the Equipment shall be subject and subordinate to Lessee's leasehold estate in the Equipment and Lenders will not disturb Lessee's quiet use and possession of the Equipment.

Lenders shall promptly pay over to Debtor, and Debtor and Owner Beneficiary may receive and retain, any payments made by Lessee which are due Debtor or Owner Beneficiary pursuant to Sections 15, 18 and 34 of the Lease and any proceeds payable to Debtor or Owner Beneficiary under any liability insurance policy carried by Lessee (collectively, Excluded Payments).

Section 3. <u>Representations and Warranties of Debtor.</u>

Debtor hereby represents and warrants as follows:

1. This Security Agreement, the Trust Agreement and the Lease have each been and each Lease Schedule and each Note has been or will be duly authorized, executed and delivered by, Debtor and each constitute or will constitute a legal, valid and binding agreement and obligation of Debtor, enforceable against Debtor in accordance with its terms, and the Lease, each Lease Schedule and Lessee's Consent and Rent Assignment Letter acknowledging the assignment made hereby constitute the entire agreement between Debtor and Lessee pertaining to the leasing of Equipment by Debtor to Lessee.

2. The execution and delivery of the Notes, this Security Agreement, the Trust Agreement, the Lease and the Lease Schedules, the consummation of the transactions contemplated herein or in the Lease and the fulfillment of and compliance with the terms and provisions hereof or of any document contemplated hereby do not and will not conflict with or result in a breach of any of the terms, conditions or provisions of Debtor's Articles of Association or By-laws or of any bond, debenture,

note, mortgage indenture, agreement or other instrument to which Debtor is a party or by which it or its property may be bound, and will not constitute (with the giving of notice or the passage of time or both) a default thereunder, or result in the creation or imposition of any lien, charge, security interest or other encumbrance of any nature whatsoever upon the Collateral pursuant to the terms of any such agreement or instrument.

3. Debtor is a national banking association duly organized and validly existing under the laws of the United States of America and is duly qualified to do business in each jurisdiction where its failure to so qualify would materially and adversely affect the enforceability against Debtor of the Notes, this Security Agreement, the Trust Agreement, the Lease or the Lease Schedules or its ability to perform its obligations hereunder or thereunder.

4. Debtor has such title to and ownership of the Equipment as was conveyed to it by the vendor thereof, if any, or owner thereof, free and clear of all security interests, liens and encumbrances created by Debtor, except for the respective interests of Lenders hereunder and Lessee under the Lease (including such as are required to be discharged by Lessee pursuant to the Lease) and no other assignment or security interest other than as contemplated hereby has been granted by Debtor generally or specifically with respect to the Collateral.

5. The rents payable under the Lease are not subject to any defenses, setoffs (other than the right of setoff contained in Section 19 thereof) or counterclaims and there is no rent now due and unpaid pursuant to the terms of the Lease nor have there been any payments made in advance on account of the rentals to become due under the Lease.

6. No Event of Default has occurred hereunder (other than one arising as a result of an Event of Default under the Lease) or event which, with the passing of time or the giving of notice, or both, would constitute such an Event of Default and, to the best of Debtor's knowledge, no Event of Default under the Lease has occurred or event which, with the passing of time or

the giving of notice, or both, would constitute such an Event of Default.

7. Debtor has performed each and every obligation it is required to so perform under the terms of the Lease.

8. Debtor has made its investment in the Equipment and has not acquired its interest in the Lease directly or indirectly with the assets of or in connection with any arrangement or understanding by it in any way involving any employee benefit plan (or its related trust) all within the meaning of the Employee Retirement Income Security Act of 1974.

9. Neither Debtor nor any other person acting on behalf of Debtor has directly or indirectly offered the Notes or similar securities for sale to or solicited offers to buy any therefrom, or otherwise approached or negotiated with respect thereto with, anyone other than Lenders. Neither Debtor nor anyone acting on its behalf has taken or will take any action with respect to the sale and issuance of the Notes other than pursuant to the provisions of Section 15 hereof.

10. Debtor has not assigned, pledged, granted a security interest in or otherwise hypothecated its right, title and interest in and to the Guaranty and has the full right, power and authority to grant a security interest in and to assign the Guaranty in the Lender as contemplated hereby.

Section 4. <u>Covenants of Debtor.</u>

Debtor hereby covenants and agrees for the benefit of Lenders as follows:

1. All payments due Lenders to be made by Lessee under the Lease and by Debtor hereunder shall be made on the payment date by wire transfer of immediately available funds to Massachusetts Mutual Life Insurance Company or MML Pension Insurance Company, as the case may be, or at such other address as Lenders designate in writing.

2. All right, title and interest of Debtor in and to the Collateral and any payments with respect thereto shall be expressly subject and subordinate to all of the right, title and interest of Lenders therein.

3. Debtor shall not modify, rescind, cancel or accept surrender of the Lease or waive any of the provisions thereof or extend the time of payment for payments due thereunder and shall not sell, assign or transfer its interest in the Lease or the Equipment or take any other action with respect thereto without the prior written consent of Lenders, provided, however, that if and only if no Event of Default shall have occurred or be continuing hereunder or under the Lease (i) Debtor shall have the right to take any action allowable by it pursuant to Sections 15 and 18 and the last two paragraphs of Section 24 and Section 34 of the Lease without the consent of Lenders; (ii) no other consents, approvals, waivers or amendments under the Lease may be given without the joint consent of Debtor and Lenders; and (iii) Debtor may amend the Lease to increase Lessee's obligations without the consent of Lenders; provided further, that if no Event of Default shall have occurred and be continuing hereunder that is not also an Event of Default under the Lease but an Event of Default shall have occurred and be continuing under the Lease, Debtor shall retain its rights to (a) inspect the Equipment, (b) receive copies of all notices and financial statements, and (c) to perform or cause to be performed any maintenance required to keep the Equipment in working order and to preserve and maintain any insurance policies necessary to protect the Equipment from loss and damage (collectively, Excepted Rights).

4. Debtor shall keep the Collateral free and clear of all mortgages, pledges, liens, charges, security interests and other encumbrances whatsoever, except those created by this Security Agreement and the rights of Lessee under the Lease and the Lease Schedules. Debtor shall pay all charges, including without limitation, all taxes and assessments levied or assessed against Debtor, which if unpaid would constitute a lien on the Collateral or any portion thereof; provided, however, that Debtor shall pay charges required to be paid or discharged by Lessee under the terms of the Lease only to the extent that Debtor shall have received funds from Lessee allocable to such charges. Debtor shall not be required to pay or discharge any such charges, taxes or assessments so long as it shall in good faith and by appropriate legal proceedings being diligently prosecuted, contest the validity thereof in any

reasonable manner which will not affect or endanger Lessee's right of quiet enjoyment and use of the Equipment under the Lease or Lenders' security interest in the Collateral pursuant to this Security Agreement.

5. Debtor shall execute and deliver any and all papers or documents which Lenders may reasonably request from time to time in order to carry out the purposes hereof and of the Lease, or to facilitate the collection of monies due or to become due from Lessee under the Lease.

6. Debtor shall duly fulfill or cause to be fulfilled all of the obligations to be performed or assumed by Debtor under the Lease.

7. Debtor shall file, or cause to be filed, the Lease with (i) the Interstate Commerce Commission in conformity with 49 U.S.C. Section 11303 of the Interstate Commerce Act and (ii) the Registrar General of Canada in conformity with Subsection 90(1) of the Railway Act of Canada, each such filing to be made within 10 days of the date hereof.

8. Debtor shall notify Lenders in writing immediately upon obtaining knowledge of any Lessee default in the payment or performance of any of Lessee's obligations under the Lease.

9. Debtor shall allow Lenders and their representatives free access and right of inspection, as provided for in the Lease, of the Equipment at any convenient location, and in the event of loss or damage to the Equipment of which Debtor has knowledge, to send prompt written notice thereof to Lenders, all to the extent provided for in the Lease. Debtor (but not CNB in its individual capacity) shall permit Lenders and their representatives to examine and make copies and extracts its books of account, records, reports and other papers relating to the transactions contemplated by this Security Agreement, and to discuss its affairs, finances and accounts with its representatives (and by this provision Debtor authorizes said representatives to so discuss the finances and affair of the Debtor), all at reasonable times during normal business hours, upon reasonable prior written notice as often as may be reasonably requested. For purposes of paragraphs 8 and 9 of this Section "knowledge" shall mean actual

knowledge of an authorized officer in the Corporate Trust Administration department of Debtor.

10. Upon Lessee's or Lenders' written request that it do so, Debtor shall provide Lessee, at Lessee's expense, any and all consents, assistance and co-operation necessary for Lessee to maintain property insurance and public liability insurance, showing Lenders as additional insured and loss payee, in amounts and with insurance companies satisfactory to Lenders, to the extent required by and in accordance with the terms of the Lease.

11. Upon Lessee's or Lenders' written request that it do so, Debtor shall provide Lessee, at Lessee's expense, any and all consents, assistance and co-operation necessary for Lessee to keep the Equipment in good repair and operating condition without any cost or liability to Lenders.

12. Debtor, in its individual capacity and at its own cost and expense, shall promptly take such action as may be necessary to discharge any and all liens on any part of the Collateral which result from claims against it in its individual capacity, arising out of events or conditions not related to its interest in the administration of the Collateral.

13. Debtor will maintain its records concerning the Lease at its principal place of business at 777 Main Street, Hartford, Connecticut 06115, and will not remove such records, except to a jurisdiction where the Uniform Commercial Code shall be in effect, and upon 30 days' prior written notice to Lenders.

Section 5. Rights of Lenders.

For so long as the lien hereof is in effect, Debtor hereby irrevocably constitutes and appoints Lenders, and officers thereof responsible for enforcing the terms of this Security Agreement, Debtor's agents and attorneys-in-fact to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to enforce this Security Agreement pursuant to the express terms hereof. This power of attorney is a power coupled with an interest. ~~shall be irrevocable.~~ The powers conferred on Lenders hereunder are solely to protect Lenders' interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Without

limiting the generality of the foregoing, Debtor hereby gives Lenders the power and right, on behalf of Debtor and without notice to or assent by Debtor, to do the following:

1. Receive directly from Lessee all payments of Rent, Stipulated Loss Value and other sums due and to become due under the Lease (other than Excepted Payments or sums not payable to Lessor under the Lease) and to exercise all rights, privileges and remedies of Lessor under the Lease, including without limitation, the right to grant waivers or consents of any character (other than Excepted Rights).

2. Endorse any loss payment or returned premium check due Lenders and to make, settle and release any claim made on behalf of Lenders under any insurance policy with respect to the Equipment.

3. File any claim or take any other action or proceeding in any court of law or equity for the purpose of collecting any and all monies due under the Lease.

4. File financing statements signed only by Lenders with respect to the Notes and Security Agreement in accordance with the Uniform Commercial Code or signed by Lenders as attorney-in-fact for the Debtor.

Debtor hereby ratifies all that Lenders may do pursuant to such power.

Lenders shall be accountable only for amounts that they actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to Debtor for any action taken or omitted to be taken in good faith or in reliance on the advice of counsel except for its own gross negligence or willful misconduct.

Section 6. Redemption.

Lenders' Optional Redemption. At any time prior to the later of 90 days after (i) the receipt from Guarantor or Lessee of a written notice of the occurrence of a Change of Control Event or (ii) the occurrence of a Change of Control Event, Lenders shall have the right, by written notice to Debtor and Lessee, to declare the entire principal balance of all Notes outstanding under this Security Agreement to be due and payable on a date specified in such notice which is not less than 30

days and not later than 60 days after delivery of such notice. Thereupon, such Notes shall be due and payable at such date at an amount equal to the unpaid principal balance thereof, plus all accrued interest thereon to the date of such prepayment, plus a premium equal to the Make Whole Premium.

Section 7. Event of Loss.

Upon the occurrence of an Event of Loss under Section 13 of the Lease, the allocable portion of the unpaid principal balance of the Notes issued with respect to the applicable Lease Schedule shall become due and payable at par, together with accrued interest thereon, on the date on which the Stipulated Loss Value, as defined in the Lease, is paid in full. The amount of principal to be prepaid shall be equal to the amount obtained by multiplying (A) the outstanding principal balance of such Notes by (B) a Prepayment Factor which shall be determined by dividing the original cost for the item or items of Equipment suffering the Event of Loss by the original cost for all items of Equipment whose acquisition was financed with such Notes and which are then subject to the Lease immediately prior to such Event of Loss. Such prepayment shall be made equally and ratably on all Notes outstanding with respect to the applicable Lease Schedule. Each remaining installment of principal and interest due under each such Note shall be reduced by an amount equal to the amount obtained by multiplying (A) the debt service payment due on the Note before the application of such prepayment by (B) the Prepayment Factor. Except as expressly set forth in Section 6 above and this Section 7, no prepayment of a Note shall be permitted without the written consent of Lenders.

Section 8. Late Payment Rate.

All payments not made when due under each Note shall bear interest at a rate (the Late Payment Rate) equal to 2% above the rate of interest per annum being charged on that Note. In any event, the Late Payment Rate shall not be higher than the maximum legally enforceable rate.

Section 9. Right of Lenders to Perform for Debtor.

If Debtor defaults in its obligations hereunder, Lenders may, at their option, effect insurance and pay all taxes, assessments, and charges levied on the Equipment or for the storage, maintenance or repair thereof. Any insurance premiums, taxes, assessments and charges so paid shall be secured by this Security Agreement and shall be payable by the Debtor on demand

as obligations independent hereof with interest at the Late Payment Rate.

Section 10. Limitations of Liability; Non-Recourse Obligations

Anything in this Security Agreement to the contrary notwithstanding, neither Lenders nor the holder of any Note nor the successors or assigns of any of said persons, shall have any claim, remedy or right to proceed against Debtor in its individual capacity, Owner Beneficiary, or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, Debtor or Owner Beneficiary, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any penalty or assessment or otherwise, for the payment of any deficiency of any other sum owing on account of the indebtedness evidenced by any Note or for the payment of any sum secured hereby or, except as otherwise provided in this Section 10, for the payment of any liability resulting from the breach of any representation, covenant, agreement or warranty of any nature whatsoever in this Security Agreement, or in any Note, the Lease, any Lease Schedule or in any instrument or certificate executed by Debtor in connection herewith or therewith, from any source other than the Collateral and the income and proceeds thereof; and Lenders, by the execution of this Security Agreement, and the holder of each Note by its acceptance thereof, agree to look solely to the Collateral and income and proceeds thereof, and waive and release any personal liability of Debtor in its individual capacity, Owner Beneficiary, and any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, Debtor or Owner Beneficiary, for and on account of any such deficiency, indebtedness or, except as otherwise provided in this Section 10, any such liability; provided, however, that (A) nothing herein contained shall limit, restrict or impair the rights of Lenders and the holder of each Note to accelerate the maturity thereof upon an Event of Default under this Security Agreement, to bring suit and obtain a judgment against Debtor (provided execution thereof shall be limited to the Collateral and any income and proceeds in respect thereof) on any Note, or to exercise all rights and remedies provided under this Security Agreement or otherwise realize upon the Collateral, (B) Debtor shall be liable in its individual capacity hereunder for, and to the extent of, any monetary damages actually incurred or sustained by Lenders or by any other holder of a Note solely and directly as a result of the breach of any covenant, representation or warranty made by Debtor in paragraphs 1 through 3 of Section 3 hereof and

paragraph 12 of Section 4 hereof; and (C) Lenders shall have all of their rights and remedies against Lessee under the Lease.

Section 11. Events of Default.

Any of the following events shall constitute an Event of Default hereunder:

1. Debtor shall fail to make any payment due on any Note when and as the same shall become due and payable whether at the due date thereof or at the date fixed for prepayment or by acceleration or otherwise, and such default continues unremedied for 10 days.

2. An Event of Default under and as defined in the Lease shall have occurred and be continuing under the Lease, other than as a result of a failure to make an Excluded Payment due to Debtor or Owner Beneficiary.

3. There shall be imposed upon the Collateral or any part thereof any claim, lien, security interest, encumbrance or charge which is prior to or on parity with the security interest granted hereunder and which Debtor is obligated to discharge hereunder.

4. Debtor shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by Debtor hereunder or in any agreement or certificate furnished to Lenders in connection herewith and such failure shall continue unremedied for a period of 30 days after notice thereof to Debtor.

5. Any representation or warranty made by Debtor herein or in any document or certificate furnished to Lenders by Debtor in connection herewith shall have been incorrect in any material respect when made.

6. Debtor shall (a) be generally not paying its debts as they become due within the meaning of Title 11 of the United States Code, (b) file, or consent by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy,

for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, (c) make an assignment for the benefit of its creditors, (d) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers over itself or over any substantial part of its property, or (e) take corporate or comparable action for the purpose of any of the foregoing.

7. Any petition for any relief under any bankruptcy or insolvency law of any jurisdiction shall be filed against Debtor and such petition shall not be stayed or dismissed within 60 days of the date of filing.

8. A court or governmental authority of competent jurisdiction shall enter an order (a) appointing, without consent by Debtor, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or (b) constituting an order for relief or (c) approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or (d) ordering the dissolution, winding-up or liquidation of Debtor.

Section 12. Remedies.

If an Event of Default hereunder shall have occurred, then, or at any time thereafter while such Event of Default is continuing, Lenders may declare the entire outstanding principal balance of the Notes to be immediately due and payable at par and thereupon all such unpaid balance, together with all accrued interest thereon to the date of such payment shall be and become immediately due and payable without notice or demand. It shall then be lawful for Lenders (and Debtor hereby authorizes and empowers Lenders with the aid and assistance of any persons) to exercise any one or more of the following remedies:

1. Subject to the rights of Lessee under the Lease, to enter upon such place as the Equipment may be found and take possession of, remove, keep and store or use and operate or lease until sold, any or all of the Equipment, at any time or times, and to dispose of the Equipment and apply the

proceeds thereof to the balance hereof or any other obligation arising hereunder, all to the extent permitted by and in accordance with law.

2. If any Event of Default has occurred and is continuing under the Lease, as assignee of Debtor's interest in the Lease, to exercise any or all of the rights and powers and pursue any or all of the remedies provided for in the Lease (except with respect to the collection of Excluded Payments).

3. To exercise any or all of the rights and powers and pursue any or all of the remedies that are available to a secured party under the Uniform Commercial Code or any other applicable law or in equity in respect to the Collateral.

If an Event of Default shall have occurred and be continuing hereunder that is the result solely of the occurrence of a default under the Lease, Lenders may exercise remedies hereunder relating to taking possession of, or title to, the Equipment, only if Lenders shall, to the extent permitted by the terms of the Lease, have terminated the Lease or taken possession of the Equipment or have begun proceedings in good faith to so terminate the Lease, or take such possession, in each case pursuant to the remedies contained in Section 26 of the Lease.

Debtor will reimburse Lenders for all fees of attorneys or collection agencies and all expenses, costs and charges paid or payable to third persons or suffered or incurred by Lenders in attempting or effecting protection or preservation of their security interest in the Collateral or the enforcement of any provision of this Security Agreement. Costs of collecting the amounts secured hereby shall be added to the principal amount due hereunder and shall be secured by, and payable out of, the Collateral.

The proceeds of any sale of the Collateral or any part thereof or any interest therein and the proceeds of the exercise of any other remedy with respect to the Collateral, shall be applied by Lenders, <u>first,</u> to the repayment of any costs and expenses incurred by Lenders or any person or party acting on behalf of Lenders in connection with the exercise of remedies hereunder, <u>second,</u> to the payment of any amount due under the Notes other than principal and interest, <u>third,</u> to the payment of accrued but unpaid interest on the Notes, <u>fourth,</u> to the repayment of the outstanding principal balance of the Notes and

fifth, the balance, if any, of such proceeds remaining thereafter shall be distributed to Debtor.

If more than one Note is outstanding at the time any such application is made, such application shall be made on all outstanding Notes ratably in accordance with the aggregate principal amount remaining unpaid thereon. All rights, remedies and options conferred upon Lenders hereunder or by law shall be cumulative and may be exercised successively or concurrently and are not alternative or exclusive of any other such rights, remedies or options. No express or implied waiver by Lenders of any default or event of default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent default or event of default. The failure or delay of Lenders in exercising any rights granted them hereunder shall not constitute a waiver of any such right in the future and any single or partial exercise of any particular right by Lenders shall not exhaust such rights or constitute a waiver of any other right provided herein.

Section 13. Certain Rights of Debtor.

1. In the event of any default by Lessee in the payment of any instalment of Rent due under the Lease, Debtor may, without the consent of Lenders, no more than 20 days after such default becomes an Event of Default under the terms of the Lease, pay a sum equal to the amount of all (but not less than all) such overdue Rent, including all such principal and interest as shall then be due and payable on the Notes, for application in accordance with the terms hereof.

   This paragraph 1 shall not apply with respect to any default in the payment of Rent due under the Lease if the Lessee itself shall have theretofore failed to pay Rent in the manner provided in the Lease (i) on the Rent Due Date immediately preceding the date of such default or (ii) on three Rent Due Dates.

2. In the event of any default by Lessee in the performance of any obligation under the Lease other than the payment of an instalment of Rent, Debtor may, without the consent of Lenders, pay or perform such obligation for the account of Lessee.

3. The failure of Lessee to have paid an instalment of Rent shall not be an Event of Default hereunder if Debtor shall have made a payment with respect thereto pursuant to paragraph 1 of this Section 13. The failure of Lessee to have paid or performed an obligation under the Lease (other than a payment of an instalment of Rent) for a period of not longer than one year after actual knowledge thereof by Debtor shall not be an Event of Default hereunder so long as Debtor shall have fully paid or performed such obligation pursuant to paragraph 2 of this Section 13.

4. So long as no Event of Default has occurred and is continuing hereunder, Debtor may demand that Lessee reimburse Debtor, or Debtor may sue Lessee, for sums expended by Debtor pursuant to the above paragraphs.

Section 14. Optional Purchase

At any time after written notice of acceleration of the Notes is received by Lessor or within 60 days after an Event of Default under the terms of the Lease shall have occurred and be continuing for a period of 180 days, and, provided that no default hereunder shall have occurred and be continuing which is not a result of a default under the terms of the Lease, Debtor shall have the right to purchase all (but not less than all) of the Notes outstanding hereunder.

Upon receipt by Lender of written irrevocable notice of such election by Debtor, the entire principal balance of all Notes outstanding shall be immediately due and payable and all such unpaid balance, together with accrued interest thereon to the date of such purchase, shall be and become immediately due and payable without premium.

Section 15. Registration, Replacement and Transfer of Notes.

Debtor shall cause to be kept at its principal office a register (the Register) in which Debtor shall provide for the registration of the Notes and of transfers of the Notes. Upon surrender for transfer of a Note at the principal office of Debtor, Debtor shall execute and deliver, in the name of the designated transferee or transferees, a new Note of a like principal amount. Each such new Note shall have attached thereto an amortization schedule indicating the payments of interest and

principal previously made on the Note for which it was exchanged. Every Note presented or surrendered for transfer shall (if so required by Debtor) be duly endorsed or be accompanied by a written instrument of transfer, duly executed by the registered owner thereof or its attorney duly authorized in writing. No service charge shall be made for any transfer of a Note, but Debtor may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed on Debtor in connection with any transfer of a Note and Debtor shall be entitled to be reimbursed for its actual costs and any out-of-pocket expenses incurred in connection with any such transfer. Debtor shall not be required to register any transfer of a Note within 10 days prior to or after any date for the making of a payment hereunder. In connection with a transfer of a Note, Debtor may require verification that such transfer will not require the registration of the Note under the Securities Act of 1933, as amended, which verification may be in the form of an opinion of counsel for the registered owner of the Note.

If a Note is lost, stolen or destroyed, or upon the surrender and cancellation of a Note, if mutilated, Debtor will, without charge and upon the written request of the registered owner hereof, deliver to the registered owner hereof, within a reasonable time after such request and in lieu of such lost, stolen, destroyed or mutilated Note, a new Note (a) of the same tenor, (b) in a principal amount equal to the unpaid principal amount thereof, (c) dated such date as will result in no gain or loss of interest or principal, and (d) bearing a legend that such Note is a new Note and Security Agreement and the reason or reasons why the prior Note and Security Agreement was replaced. If a Note was lost, stolen or destroyed, the registered owner thereof will deliver, prior to receiving a replacement Note, to Debtor an affidavit stating that the Note was lost, stolen, or destroyed, as the case may be and any other evidence thereof reasonably requested by Debtor.

Any new Note issued pursuant to this Section 14 shall evidence the same indebtedness as the Note so replaced.

Debtor may deem and treat the registered owner of a Note as the absolute owner hereof (whether or not a Note shall be overdue) for the purpose of receiving payments of principal and interest on a Note and for all other purposes, and Debtor shall not be affected by any notice to the contrary.

Section 16. <u>Termination.</u>

Upon the payment in full of the principal and interest on the Notes in accordance with the terms thereof and hereof and the payment of any other sums payable hereunder, the security interests granted hereby shall terminate. Lenders, at Debtor's request and expense, agree to execute such instruments as shall be necessary or appropriate to evidence such termination.

Section 17. Miscellaneous.

This Security Agreement may not be amended, waived, or discharged, except by an agreement in writing by the party against which or whom enforcement of the amendment, waiver or discharge is sought. In case any one or more of the provisions contained in this Security Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. Time and exactitude are of the essence hereof.

In acting hereunder, Debtor acts solely in its capacity as trustee and not in its individual capacity except as otherwise expressly provided herein. If Debtor shall be a party to a merger, combination or consolidation or other comparable reorganization and if it shall not be the surviving entity, then the surviving entity shall promptly assume the obligations under the Notes and this Security Agreement in writing.

All notices to be made hereunder shall be in writing or by facsimile transmission and (a) if to Debtor, addressed to it at 777 Main Street, Hartford, Connecticut 06115, Attention: Corporate Trust Administration, and (b) if to either Lender, addressed to it at 1295 State Street, Springfield, Massachusetts 01111, Attention: Securities Investment Division. Either party hereto may change the address to which notice to such party shall be sent by giving written notice of such change to the other party to this Security Agreement. All notices shall be deemed to have been given when received by Debtor or Lenders, as appropriate.

This Agreement may be executed in more than one counterpart, each of which shall be an original, but all of which together shall constitute one and the same instrument.

It is the intention of the parties that the provisions of this Security Agreement shall be governed by the laws of The Commonwealth of Massachusetts.

Section headings and captions are inserted for convenience only and shall not affect any construction or interpretation of this Security Agreement. The words "herein", "hereof ", "hereby", "hereto", "hereunder", and words of similar import refer to this Security Agreement as a whole and not to any particular section, subsection, paragraph, clause or other subdivision hereof.

STATE OF CONNECTICUT
: ss:
COUNTY OF HARTFORD)

On this _____ day of August, 1992 before me personally appeared Robert L. Reynolds to me personally known who being by me duly sworn, says that he is the Corporate Trust Officer of THE CONNECTICUT NATIONAL BANK, that the seal affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

_____
Notary Public

[NOTARIAL SEAL]

DAWN PICCOLI HEINTZ
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31, 1997

My commission expires:

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed by their duly authorized representatives as of the date first above written.

THE CONNECTICUT NATIONAL BANK, not in its individual capacity but solely as trustee under the Trust Agreement dated as of August 1, 1992 with NYNEX Credit Company

[SEAL]

Printed Name:
Title:

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

[SEAL]

By William E. Lord
Printed Name: WILLIAM E. LORD
Title: Second Vice President

MML PENSION INSURANCE COMPANY

[SEAL]

By Richard C. Morrison
Printed Name: RICHARD C. MORRISON
Title: INVESTMENT OFFICER

STATE OF MASSACHUSETTS)
: ss:
COUNTY OF HAMPDEN)

On this 11th day of August, 1992 before me personally appeared WILLIAM E. LORD to me personally known who being by me duly sworn, says that he is the Second Vice President of MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Nancy M. Wood
Notary Public

[NOTARIAL SEAL]

My commission expires:

Nancy M. Wood
Notary Public
My Commission Expires December 16, 1994

STATE OF MASSACHUSETTS)
: ss:
COUNTY OF HAMPDEN)

On this 11th day of August, 1992 before me personally appeared RICHARD C. MORRISON to me personally known who being by me duly sworn, says that he is the INVESTMENT OFFICER of MML PENSION INSURANCE COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Nancy M. Wood
Notary Public

[NOTARIAL SEAL]

My commission expires:

Nancy M. Wood
Notary Public
My Commission Expires December 16, 1994

Exhibit A

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD OR TRANSFERRED WITHOUT SUCH REGISTRATION UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

NONRECOURSE SECURED NOTE
DUE FEBRUARY 13, 2012

Registered No. _____ $_____

FOR VALUE RECEIVED, the undersigned, THE CONNECTICUT NATIONAL BANK, not in its individual capacity but solely as trustee (Debtor) under the Trust Agreement dated as of August 1, 1992 with NYNEX Credit Company hereby promises to pay to _____, or registered assigns (Payee) the principal sum of _____ ($_____), together with interest on the principal balance from time to time remaining unpaid at the rate of [ ]% per annum (computed on the basis of a 360-day year of twelve 30-day months).

Principal and interest hereon shall be payable as follows: (i) payments of semi-annual instalments of principal and interest accrued on the unpaid principal amount hereof from and including the date hereof, each in the amounts as set forth on Schedule A hereto, shall be due and payable on the 13th day of each February and August commencing on February 13, 1993 and continuing through and including August 13, 2011 and (ii) the remaining unpaid principal amount of this Note, if any, together with accrued and unpaid interest thereon, shall be due and payable on February 13, 2012. The respective amounts of each instalment which are to be applied to principal, interest are set forth in the Schedule attached hereto. Any instalment of principal, interest and premium (if any) not paid when due shall bear interest (to the extent legally permissible) from its due date until paid at the rate of 10.30% per annum.

All payments of principal, interest, and premium (if any) on this Note shall be made by wire transfer of immediately available federal funds to _____ or at such other place as the holder hereof should designate in writing to Debtor.

This Note is one of a series of Notes from Debtor to Payee in an aggregate principal amount of $14,250,000 (plus or minus 5%) which are (or will be) issued pursuant to the terms of and are equally and ratably secured by a Security Agreement dated as of August 1, 1992 (the Security Agreement) between Debtor, Payee and [Massachusetts Mutual Life Insurance Company] [MML Pension Insurance Company].

This Note and the holder hereof is entitled to all of the benefits and security provided for or referred to in the Security Agreement, to which instrument reference is hereby made for a statement thereof, including a description of the Collateral (as defined in the Security Agreement), the nature and extent of the security and the rights of the holder of the Note and of Debtor in respect thereof.

This Note may be declared due prior to its expressed maturity date, all in the events, on the terms and in the manner provided for in the Security Agreement.

The principal of this Note is subject to prepayment in whole or in part by Debtor, from time to time, only in the manner, to the extent and under the circumstances set forth in the Security Agreement. Upon any partial prepayment of this Note, payments due hereunder shall be reduced as provided for in the Security Agreement.

Anything herein to the contrary notwithstanding, neither Payee nor any other holder hereof nor any of their respective successors or assigns, shall have any claim, remedy or right to proceed against Debtor in its individual capacity, Owner Beneficiary or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, Debtor or Owner Beneficiary, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any penalty or assessment or otherwise, for the payment of any deficiency or any other sum owing on account of the indebtedness evidenced by this Note or for the payment of any other obligations under the Security Agreement or, except as otherwise provided in the Security Agreement, for the payment of any liability resulting from the breach of any representation, covenant, agreement or warranty of any nature whatsoever in the Security Agreement or in the Master Equipment Lease Agreement dated as of August 1, 1992, as supplemented by each Lease Schedule (the Lease), between Solvay Polymers, Inc. as lessee, and The Connecticut National Bank, as lessor, not in its individual capacity but solely as trustee under the Trust Agreement, dated as of August 1, 1992 with NYNEX Credit Company, or in any other instrument or certificate executed by Debtor in connection herewith or therewith, and Payee and each other holder of this Note by acceptance hereof, agrees to look solely to said Collateral and to the income and proceeds thereof, and waives and

releases any personal liability of Debtor in its individual capacity, Owner Beneficiary and of any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of Debtor or Owner Beneficiary for and on account of any such deficiency, indebtedness or, except as otherwise provided in the Security Agreement, any such liability, and Payee and each other holder of this Note agrees that it shall have no right to demand return by Debtor of any funds properly distributed to Debtor under the Security Agreement; provided, however, that nothing herein contained shall limit, restrict or impair the rights of Payee or each other holder of this Note to accelerate the maturity hereof upon an Event of Default under the Security Agreement, to bring suit and obtain a judgment against Debtor (provided execution thereof shall be limited to the said Collateral and any income and proceeds in respect thereof) or to exercise all rights and remedies provided under the Security Agreement or otherwise realize upon the said Collateral.

This Note shall be construed and enforced in accordance with and governed by the laws of The Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the parties hereto have caused this Note to be duly executed by their duly authorized representatives as of the date first above written.

Date: _____ 1992

THE CONNECTICUT NATIONAL BANK, not in its individual capacity but solely as trustee under the Trust Agreement dated as of August 1, 1992 with NYNEX Credit Company

By: _____

Attest:

Its: _____

_____
Assistant Secretary
(Corporate Seal)

Exhibit B

DEFINITIONS

The terms defined in the Lease when used herein shall have the same meanings as so defined unless otherwise defined or the context otherwise requires.

"Change of Control Event" shall mean either (x) the acquisition by any Person or Persons other than Guarantor, directly or indirectly of (i) 50% or more of the ownership of the equity of Lessee, by contract or otherwise or (ii) the power to elect, appoint or cause the election or appointment of at least a majority of the members of the board of directors of Lessee; or (y) the acquisition by any Person or Persons other than Solvay S.A., a Belgium societe anonym of (i) 50% or more of the equity of Guarantor, by contract or otherwise or (ii) the power to elect, appoint or cause the election or appointment of at least a majority of the members of the board of directors of Guarantor.

"Closing Date" shall mean the First Closing Date or any subsequent date on which Lenders shall pay the purchase price of a Note to Debtor and Debtor shall deliver a Note to Lenders. The Closing Date shall be a date designated by Debtor by giving notice in writing or by facsimile transmission of such date to Lenders not less than three business days before such designated date.

"Collateral" shall have the meaning set forth in Section 2 of this Security Agreement.

"Debtor" shall have the meaning set forth in the first paragraph of his Security Agreement.

"Equipment" shall have the meaning set forth in the Lease.

"Equity Investment" shall mean an amount equal to not less than 22% of the cost of each item of Equipment.

"Excepted Rights" shall have the meaning set forth in the third paragraph of Section 4 of this Security Agreement.

"Excluded Payments" shall have the meaning set forth in Section 2 of this Security Agreement.

"First Closing Date" shall mean August 14, 1992.

"Guarantor" shall mean Solvay America Inc. a Delaware corporation.

"Guaranty" shall mean the guaranty of Solvay America, Inc., a Delaware corporation, dated as of August 1, 1992 to Debtor together with any future guaranty issued or to be issued in place thereof or at any time substituted therefor.

"Lease" shall mean the Master Equipment Lease Agreement, dated as of August 1, 1992, between The Connecticut National Bank, as lessor, not in its individual capacity but solely as trustee under the Trust Agreement and Solvay Polymers, Inc., a Delaware corporation, as lessee.

"Lease Schedule" shall mean the First Schedule and the Subsequent Schedules as defined in the Lease.

"Lenders" shall have the meaning set forth in the first paragraph of this Security Agreement.

"Lessee" shall mean Solvay Polymers, Inc. a Delaware corporation.

"LESSEE CONSENT AND RENT ASSIGNMENT LETTER" shall mean that letter, dated as of August 1, 1992 executed by Lessee consenting to the transactions contemplated hereby.

"Make Whole Premium" shall mean the excess of (i) the present value of all scheduled payments of principal and interest in respect of the Notes which, but for a prepayment, would be required to be made following the date on which the Notes are declared due and payable, determined by discounting on a semi-annual basis (at a rate equal to the sum of .50% plus the yield on the third full business day prior to such prepayment, on the U.S. Treasury Bond having a maturity closest to the average remaining life of the Notes being prepared, calculated in accordance with usual financial practice), the amount of each such payment from the date such payment would have been required to be made to the date of prepayment, over (ii) the outstanding principal amount so prepaid. If the amount so calculated is zero or a negative amount, then the Make Whole Amount shall be zero.

"Owner Beneficiary" shall have the meaning set forth in the first paragraph of this Security Agreement.

"Person" shall mean an individual, corporation, partnership, unincorporated organization, association, joint stock company, joint venture, trust, estate, government or agency or political subdivision thereof or any other entity.

"Rent" shall mean any and all Rental Payments due under, and as defined in, the Lease and Lease Schedules.

"Rent Due Date" shall mean the date on which Rent is due and payable under the terms of the Lease and Lease Schedules.

"Stipulated Loss Value" shall have the meaning set forth in the Lease.

"Trust Agreement" shall mean the Trust Agreement, dated as of August 1, 1992, between The Connecticut National Bank, as trustee and NYNEX Credit Company as owner beneficiary.

Exhibit C

SUPPLEMENT No. [ ] TO SECURITY AGREEMENT

THIS SUPPLEMENT No. [ ] TO SECURITY AGREEMENT (this Supplement No. 1) is made as of [ ], 1992 between The Connecticut National Bank, a national banking association with its principal place of business at 777 Main Street, Hartford, Connecticut 06115, not in its individual capacity but solely as trustee (Debtor) under the Trust Agreement, dated as of August 1, 1992, with NYNEX Credit Company (Owner Beneficiary), Massachusetts Mutual Life Insurance Company, a Massachusetts corporation with its principal place of business at 1295 State Street, Springfield, Massachusetts 01111 and MML Pension Insurance Company, a Massachusetts corporation, with its principal place of business at 1295 State Street, Springfield, Massachusetts 01111 (collectively, Lenders) and supplements the Security Agreement (the Original Security Agreement), dated as of August 1, 1992, between Debtor and Lenders (the Original Security Agreement, as supplemented by this Supplement No. [ ] is herein called the Security Agreement). Capitalized terms used in this Supplement No. [ ] and not otherwise defined have the meanings set out in the Original Security Agreement.

WITNESSETH

In accordance with the terms and provisions of the Original Security Agreement, Debtor has agreed to sell to Lenders and Lenders have agreed to purchase from Debtor on or before November 12, 1992 (each a Subsequent Closing Date) a Note or Notes (the Subsequent Closing Notes) with respect to a Subsequent Closing Schedule (as defined in the Lease) in the aggregate original principal amount of $14,250,000, plus or minus 5%. In connection with the purchase and sale of the Subsequent Closing Notes, Debtor and Lenders desire to clearly identify the Equipment subject to this Security Agreement, and to provide for the repayment of that portion of the proceeds of the Subsequent Closing Notes, if any, which are not used by Debtor to acquire or finance the Equipment and lease the Equipment to the Lessee.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and in order to secure the payment of the principal and interest and all other sums due under the Notes, Lenders and Debtor hereby agree to supplement the Original Security Agreement as follows:

1. The Equipment subject to this Supplement to Security Agreement is described on Schedule A attached hereto.

2. Within 60 days after each Subsequent Closing Date, Debtor will deliver to Lenders a certificate executed by a duly authorized officer of Debtor setting forth the final acquisition cost (the Acquisition Cost) of the Equipment covered by the such Subsequent Schedule, and the portion of the proceeds of such Subsequent Closing Notes which was used by Debtor to finance or refinance the Acquisition Cost. To the extent, if any, that less than 100% of the proceeds of any Subsequent Closing Notes were used to finance or refinance the Acquisition Cost, Debtor will repay the difference by wire transfer of immediately available funds on or prior to January 12, 1993 to Lenders or upon Lenders' written direction. The amount of such repayment will be applied by Lenders to repayment of the Second Closing Notes on a pro rata basis.

IN WITNESS WHEREOF, the parties hereto have caused this Supplement No. [ ] to Security Agreement to be duly executed by their duly authorized representatives as of the date first above written.

THE CONNECTICUT NATIONAL BANK, not in its individual capacity but solely as trustee under the Trust Agreement dated as of August 1, 1992 with NYNEX Credit Company

_____
Printed Name:
Title:

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

_____
Printed Name:
Title:

MML PENSION INSURANCE COMPANY

_____
Printed Name:
Title:

Schedule A

I. Equipment subject to this Security Agreement on First Closing Date.

Quantity	Item	Manufacturer and Serial Number

II. Equipment subject to this Security Agreement on Second Closing Date.

Quantity	Item	Manufacturer and Serial Number

III. Equipment subject to this Security Agreement on Third Closing Date.

Quantity	Item	Manufacturer and Serial Number

NOTE: If all of Lenders' commitment shall have been taken down at the Second Closing, this Schedule A will be adapted at the Second Closing to reflect such fact.

SUPPLEMENT No. 1 TO SECURITY AGREEMENT

THIS SUPPLEMENT No. 1 TO SECURITY AGREEMENT (this Supplement No. 1) is made as of August 1, 1992, among The Connecticut National Bank, a national banking association with its principal place of business at 777 Main Street, Hartford, Connecticut 06115, not in its individual capacity but solely as trustee (Debtor) under the Trust Agreement, dated as of August 1, 1992, with NYNEX Credit Company (Owner Beneficiary), Massachusetts Mutual Life Insurance Company, a Massachusetts corporation with its principal place of business at 1295 State Street, Springfield, Massachusetts 01111 and MML Pension Insurance Company, a Massachusetts corporation, with its principal place of business at 1295 State Street, Springfield, Massachusetts 01111 (collectively, Lenders) and supplements the Security Agreement (the Original Security Agreement), dated as of August 1, 1992, between Debtor and Lenders (the Original Security Agreement, as supplemented by this Supplement No. 1 is herein called the Security Agreement). Capitalized terms used in this Supplement No. 1 and not otherwise defined have the meanings set out in the Original Security Agreement.

WITNESSETH

In accordance with the terms and provisions of the Original Security Agreement, Debtor has agreed to sell to Lenders and Lenders have agreed to purchase from Debtor on or before November 12, 1992 (each a Subsequent Closing Date) a Note or Notes (the Subsequent Closing Notes) with respect to a Subsequent Closing Schedule (as defined in the Lease) in the aggregate original principal amount of $14,250,000, plus or minus 5%. In connection with the purchase and sale of the Subsequent Closing Notes, Debtor and Lenders desire to clearly identify the Equipment subject to this Security Agreement, and to provide for the repayment of that portion of the proceeds of the Subsequent Closing Notes, if any, which are not used by Debtor to acquire or finance the Equipment and lease the Equipment to the Lessee.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and in order to secure the payment of the principal and interest and all other sums due under the Notes, Lenders and Debtor hereby agree to supplement the Original Security Agreement as follows:

1. The Equipment subject to this Supplement to Security Agreement is described on Schedule A attached hereto.

2. Within 60 days after each Subsequent Closing Date, Debtor will deliver to Lenders a certificate executed by a duly authorized officer of Debtor setting forth the final acquisition cost (the Acquisition Cost) of the Equipment covered by the such

Subsequent Schedule, and the portion of the proceeds of such Subsequent Closing Notes which was used by Debtor to finance or refinance the Acquisition Cost. To the extent, if any, that less than 100% of the proceeds of any Subsequent Closing Notes were used to finance or refinance the Acquisition Cost, Debtor will repay the difference by wire transfer of immediately available funds on or prior to January 12, 1993 to Lenders or upon Lenders' written direction. The amount of such repayment will be applied by Lenders to repayment of the Second Closing Notes on a pro rata basis.

IN WITNESS WHEREOF, the parties hereto have caused this Supplement No. 1 to Security Agreement to be duly executed by their duly authorized representatives as of the date first above written.

THE CONNECTICUT NATIONAL BANK, not in its individual capacity but solely as trustee under the Trust Agreement dated as of August 1, 1992 with NYNEX Credit Company

Printed Name: Robert L. Reynolds
Title: Corporate Trust Officer

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

Printed Name:
Title:

MML PENSION INSURANCE COMPANY

Printed Name:
Title:

STATE OF CONNECTICUT
: ss:
COUNTY OF HARTFORD)

On this _____ day of August, 1992, before me personally appeared Robert L. Reynolds to me personally known who being by me duly sworn, says that he is the Corporate Trust Officer of THE CONNECTICUT NATIONAL BANK, that said instrument was signed on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Dawn P. Heintz
Notary Public

[NOTARIAL SEAL]

My commission expires:

DAWN PICCOLI HEINTZ
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31, 1997

Schedule A

I. Equipment subject to this Security Agreement on First Closing Date.

Quantity	Item	Manufacturer and ELTX Number
268	5800 cu. ft. Steel Covered Hopper Cars	Thrall Car Manufacturing Company ELTX 2000 - 2010; 2012 - 2127; 2129 - 2131; 2133 - 2151; 2153 - 2166; 2168 - 2200; 2202 - 2219; 2221 - 2235; 2238; 2240 - 2243; 2245 - 2247; 2249 - 2251; 2253 - 2256; 2258 - 2263; 2265; 2267 - 2268; 2270 - 2273; 2275 - 2277; 2280; 2282; 2284 - 2287; 2290 - 2291

II. Equipment subject to this Security Agreement on Second Closing Date.

Quantity	Item	Manufacturer and ELTX Number

III. Equipment subject to this Security Agreement on Third Closing Date.

Quantity	Item	Manufacturer and ELTX Number

NOTE: If all of Lenders' commitment shall have been taken down at the Second Closing, this Schedule A will be adapted at the Second Closing to reflect such fact.

/2/18/w/MMSOLTEX/Supp.Sec.Agmt

Schedule A

I. Equipment subject to this Security Agreement on First Closing Date.

Quantity	Item	Manufacturer and ELTX Number
268	5800 cu. ft. Steel Covered Hopper Cars	Thrall Car Manufacturing Company ELTX 2000 - 2010; 2012 - 2127; 2129 - 2131; 2133 - 2151; 2153 - 2166; 2168 - 2200; 2202 - 2219; 2221 - 2235; 2238; 2240 - 2243; 2245 - 2247; 2249 - 2251; 2253 - 2256; 2258 - 2263; 2265; 2267 - 2268; 2270 - 2273; 2275 - 2277; 2280; 2282; 2284 - 2287; 2290 - 2291

II. Equipment subject to this Security Agreement on Second Closing Date.

Quantity	Item	Manufacturer and ELTX Number

III. Equipment subject to this Security Agreement on Third Closing Date.

Quantity	Item	Manufacturer and ELTX Number

NOTE: If all of Lenders' commitment shall have been taken down at the Second Closing, this Schedule A will be adapted at the Second Closing to reflect such fact.

/2/18/w/MMSOLTEX/Supp.Sec.Agmt