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RECORDATION NO. 20271-0, K, L FILED

DEC 4 - '97 4-36PM

**Morgan, Lewis
& Bockius LLP**
COUNSELORS AT LAW

Dennis N. Barnes
202-467-7060

December 4, 1997

BY HAND DELIVERY

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Washington, D.C.

Re: Quantum Chemical Corporation - Railcar Lease
Recordation Number: 20271-20271A

Dear Mr. Williams:

I have enclosed two originals of each of the documents described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code:

- (1) the Amended and Restated Purchase and Master Lease Agreement dated as of December 1, 1997 among the Lessors referred to therein, Sumitomo Bank Leasing and Finance, Inc. as agent for the Lessors, and Equistar Chemicals, LP;
- (2) the Lease Receivable Purchase Agreement dated as of December 1, 1997 between Sumitomo Bank Leasing and Finance, Inc. and ECLP Funding Corp.; and
- (3) the Intercreditor and Security Agreement dated as of December 1, 1997 among Equistar Chemicals, LP, Sumitomo Bank Leasing and Finance, Inc., ECLP Funding Corp., Madison Funding Corporation, and The Sumitomo Bank, Limited, New York Branch.

1. The Amended and Restated Lease Agreement, whereby the original lease and the nine Lease Supplements thereto are amended by substituting a new lessee, is a secondary document, dated as of December 1, 1997.

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

Lessor: Sumitomo Bank Leasing and Finance, Inc., as Agent
277 Park Avenue
New York, New York 10172

Lessee: Equistar Chemicals, LP
One Houston Center
1221 McKinney Street
P.O. Box 3646
Houston, Texas 77253-3646

A description of the equipment and documents covered by the Amended and Restated Lease Agreement (as defined below) follows:

One hundred and twenty-five 6011 CF aluminum covered hopper cars and five hundred and thirty-two 5851 CF steel covered hopper cars, each having quadruple hoppers, stub center sill and pneumatic discharge outlets (the "Equipment"). The hopper cars, which are designed in accordance with AAR Standard S-259-94, have a capacity of 6,011 and 5,851 cubic feet, respectively. Each of the cars bears an identifying mark that reads "QCCX".

A short summary of the Amended and Restated Lease Agreement to appear in the index follows:

Amended and Restated Purchase and Master Lease Agreement dated as of September 13, 1996 and amended and restated as of December 1, 1997 (the "Lease") among the Lessors referred to therein, Sumitomo Bank Leasing and Finance, Inc. as agent for the Lessors, and Equistar Chemicals, LP, as Lessee, covering one hundred and twenty-five 6011 CF aluminum covered hopper cars and five hundred and thirty-two 5851 CF steel covered hopper cars, and all replacement equipment thereto, and all appliances, appurtenances, accessions, furnishings, materials and parts forming a part thereof and (i) all contracts relating to the purchase, operation and maintenance of the Equipment, including all warranties, (ii) any rebate (excluding sales or use tax refunds to Lessee), offset or other similar rights under a purchase order, invoice or purchase agreement with any manufacturer or vendor of any Equipment to the extent such rebate relates to the Equipment, (iii) all books, manuals, logs, records, writings, data bases, information and other property (x) relating solely to, used or useful solely in connection with, or evidencing, embodying or incorporating any of the foregoing or (y) which include the maintenance or alteration records of the Equipment, and (iv) all accessions to and

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proceeds of and from any and all of the foregoing Equipment (including proceeds which constitute property of the types described in clauses (i), (ii) and (iii) above) and, to the extent not otherwise included, all payments under insurance (whether or not the Lessor, in its capacity as Lessor or as Agent is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing, but excluding any property (and any proceeds thereof) incorporated or installed in or attached to any item of Equipment in connection with a modification, improvement and/or addition to such item of Equipment made by a Lessee as permitted by Section 10(b) of the Lease, without such property becoming Equipment for purposes of the Lease pursuant to the last sentence of Section 10(b) thereof.

2. The Lease Receivable Purchase Agreement is a secondary document, dated as of December 1, 1997.

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

Seller: Sumitomo Bank Leasing and Finance, Inc., as Agent
277 Park Avenue
New York, New York 10172

Purchaser: ECLP Funding Corp.
One International Place
Boston, Massachusetts 02110

A description of the equipment and documents covered by the Amended and Restated Lease Agreement (as defined below) follows:

One hundred and twenty-five 6011 CF aluminum covered hopper cars and five hundred and thirty-two 5851 CF steel covered hopper cars, each having quadruple hoppers, stub center sill and pneumatic discharge outlets (the "Equipment"). The hopper cars, which are designed in accordance with AAR Standard S-259-94, have a capacity of 6,011 and 5,851 cubic feet, respectively. Each of the cars bears an identifying mark that reads "QCCX".

A short summary of the Lease Receivable Purchase Agreement to appear in the index follows:

Lease Receivable Purchase Agreement dated as of December 1, 1997 between Sumitomo Bank Leasing and Finance, Inc. and ECLP Funding Corp., covering one hundred and twenty-five 6011 CF aluminum covered hopper cars and five hundred and thirty-two 5851 CF steel

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covered hopper cars, and all replacement equipment thereto, and all appliances, appurtenances, accessions, furnishings, materials and parts forming a part thereof and (i) all contracts relating to the purchase, operation and maintenance of the Equipment, including all warranties, (ii) any rebate (excluding sales or use tax refunds to the Lessee under that certain Amended and Restated Purchase and Master Lease Agreement dated as of September 13, 1996 and amended and restated as of December 1, 1997 (the "Lease") among the Lessors referred to therein, Sumitomo Bank Leasing and Finance, Inc. as agent for the Lessors, and Equistar Chemicals, LP, as Lessee), offset or other similar rights under a purchase order, invoice or purchase agreement with any manufacturer or vendor of any Equipment to the extent such rebate relates to the Equipment, (iii) all books, manuals, logs, records, writings, data bases, information and other property (x) relating solely to, used or useful solely in connection with, or evidencing, embodying or incorporating any of the foregoing or (y) which include the maintenance or alteration records of the Equipment, and (iv) all accessions to and proceeds of and from any and all of the foregoing Equipment (including proceeds which constitute property of the types described in clauses (i), (ii) and (iii) above) and, to the extent not otherwise included, all payments under insurance (whether or not the Lessor, in its capacity as Lessor or as Agent is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing, but excluding any property (and any proceeds thereof) incorporated or installed in or attached to any item of Equipment in connection with a modification, improvement and/or addition to such item of Equipment made by a Lessee.

3. The Amended and Restated Lease Agreement, whereby the original lease and the nine Lease Supplements thereto are amended by substituting a new lessee, is a secondary document, dated as of December 1, 1997.

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

Lessor: Sumitomo Bank Leasing and Finance, Inc., as Agent
277 Park Avenue
New York, New York 10172

Lessee: Equistar Chemicals, LP
One Houston Center
1221 McKinney Street
P.O. Box 3646
Houston, Texas 77253-3646

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Purchaser: ECLP Funding Corp.
One International Place
Boston, Massachusetts 02110

Secured Party: Madison Funding Corporation
c/o First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Collateral Agent: The Sumitomo Bank, Limited
New York Branch
277 Park Avenue
New York, New York 10172

A description of the equipment and documents covered by the Intercreditor and Security Agreement (as defined below) follows:

One hundred and twenty-five 6011 CF aluminum covered hopper cars and five hundred and thirty-two 5851 CF steel covered hopper cars, each having quadruple hoppers, stub center sill and pneumatic discharge outlets (the "Equipment"). The hopper cars, which are designed in accordance with AAR Standard S-259-94, have a capacity of 6,011 and 5,851 cubic feet, respectively. Each of the cars bears an identifying mark that reads "QCCX".

A short summary of the Intercreditor and Security Agreement to appear in the index follows:

Intercreditor and Security Agreement dated as of December 1, 1997 among Equistar Chemicals, LP, Sumitomo Bank Leasing and Finance, Inc., ECLP Funding Corp., Madison Funding Corporation, and The Sumitomo Bank, Limited, New York Branch, covering one hundred and twenty-five 6011 CF aluminum covered hopper cars and five hundred and thirty-two 5851 CF steel covered hopper cars, and all replacement equipment thereto, and all appliances, appurtenances, accessions, furnishings, materials and parts forming a part thereof and (i) all contracts relating to the purchase, operation and maintenance of the Equipment, including all warranties, (ii) any rebate (excluding sales or use tax refunds to Lessee under that certain Amended and Restated Purchase and Master Lease Agreement dated as of September 13, 1996 and amended and restated as of December 1, 1997 (the "Lease") among the Lessors referred to therein, Sumitomo Bank Leasing and Finance, Inc. as agent for the Lessors, and Equistar Chemicals, LP, as Lessee), offset or other similar rights under a purchase

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order, invoice or purchase agreement with any manufacturer or vendor of any Equipment to the extent such rebate relates to the Equipment, (iii) all books, manuals, logs, records, writings, data bases, information and other property (x) relating solely to, used or useful solely in connection with, or evidencing, embodying or incorporating any of the foregoing or (y) which include the maintenance or alteration records of the Equipment, and (iv) all accessions to and proceeds of and from any and all of the foregoing Equipment (including proceeds which constitute property of the types described in clauses (i), (ii) and (iii) above) and, to the extent not otherwise included, all payments under insurance (whether or not the Lessor, in its capacity as Lessor or as Agent is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing, but excluding any property (and any proceeds thereof) incorporated or installed in or attached to any item of Equipment in connection with a modification, improvement and/or addition to such item of Equipment made by a Lessee.

A fee of \$72 is enclosed. Please return one original of each agreement and any extra copies not needed by the Board for recordation to:

Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, New York 10178
Attention: Ian Shrank, Esq.

If you have any questions with respect to the enclosed, please feel free to call me at (212) 309-7047.

Very truly yours,



Dennis N. Barnes
Attorney for Sumitomo Bank
Leasing and Finance, Inc.

Enclosures

DNB:ll

RECORDATION NO. 20271- L FILED

DEC 4 - '97 4-36 PM

INTERCREDITOR AND SECURITY AGREEMENT

Dated as of December 1, 1997

among

EQUISTAR CHEMICALS, LP
as Lessee

SUMITOMO BANK LEASING AND FINANCE, INC.
as Agent and Seller

ECLP FUNDING CORP.
as Purchaser and Borrower

MADISON FUNDING CORPORATION
as a Secured Party

and

THE SUMITOMO BANK, LIMITED,
NEW YORK BRANCH
as Liquidity Agent
and Collateral Agent

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SCHEDULE I Notice Information

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SCHEDULE III Maximum Amounts

THIS INTERCREDITOR AND SECURITY AGREEMENT (as it may be amended, modified or supplemented from time to time in accordance with the provisions hereof, this "Agreement") dated as of December 1, 1997 is among EQUISTAR CHEMICALS, LP, a Delaware limited partnership (the "Lessee"); SUMITOMO BANK LEASING AND FINANCE, INC., a Delaware corporation, as Agent (the "Agent"); ECLP FUNDING CORP., a Delaware corporation (the "Borrower"); MADISON FUNDING CORPORATION, a Delaware corporation ("Madison"); THE SUMITOMO BANK, LIMITED, a bank organized under the laws of Japan, acting through its NEW YORK BRANCH, as liquidity agent for the Lenders and Liquidity Providers referred to below (in such capacity, the "Liquidity Agent"); and THE SUMITOMO BANK, LIMITED, a bank organized under the laws of Japan, acting through its NEW YORK BRANCH, as collateral agent hereunder (in such capacity, the "Collateral Agent").

PRELIMINARY STATEMENTS

1. The Agent, the Lessee and the Lessors referred to therein have entered into that certain Amended and Restated Purchase and Master Lease Agreement, dated as of December 1, 1997 (as amended and supplemented from time to time, the "Lease") with respect to certain personal property.

2. The Agent has sold and assigned a portion of its interest in the Lease and the Leased Property to the Borrower pursuant to that certain Lease Receivable Purchase Agreement, dated as of December 1, 1997 (as amended and supplemented from time to time, the "Receivable Purchase Agreement").

3. In order to finance its purchases under the Receivable Purchase Agreement, the Borrower has entered into (i) the Uncommitted Loan Agreement dated as of December 1, 1997 with Madison, (ii) the Committed Loan Agreement dated as of December 1, 1997 with the financial institutions from time to time parties thereto as lenders (the "Lenders") and the Liquidity Agent.

4. In order to ensure the liquidity of any loans made by it, Madison has entered into the Liquidity Asset Purchase Agreement dated as of December 1, 1997 with the financial institutions from time to time parties thereto as liquidity providers (the "Liquidity Providers") and the Liquidity Agent.

5. The Borrower desires to grant to the Collateral Agent a security interest in all of the Borrower's right, title and interest in and to the Lease and certain other collateral as described herein in order to secure its obligations to Madison, the Lenders and the Liquidity Providers.

6. The parties hereto desire to set forth their understanding with respect to distributions of payments under the Lease and certain other matters as stated herein.

In consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

SECTION 1 DEFINITIONS; INTERPRETATION

Unless the context shall otherwise require, capitalized terms used and not defined herein shall have the meanings assigned thereto in the Lease for all purposes hereof; and the rules of interpretation set forth in the Lease shall apply to this Agreement.

SECTION 2 RECOGNITION OF ASSIGNMENT; GRANT OF SECURITY INTEREST

SECTION 2.1 Sale of Lease Receivable. The Lessee acknowledges that the Agent has sold, transferred and assigned to the Borrower the Purchaser's Interest, including the Lease Receivable, pursuant to the Receivable Purchase Agreement, and that the Borrower, in turn, has assigned the Purchaser's Interest to the Collateral Agent, for the benefit of the Secured Parties, as set forth herein; the Lessee hereby consents to such assignments.

SECTION 2.2 Security Interest. In order to secure its obligations to the Conduits, the Lenders and their respective assignees (including, without limitation, the Liquidity Providers) (collectively, the "Secured Parties") pursuant to the Uncommitted Loan Agreements, the Conduit Notes, the Committed Loan Agreement and the Lender Note (collectively, the "Secured Obligations"), the Borrower hereby grants a first priority continuing security interest in, and pledges, mortgages and assigns to the Collateral Agent, for the benefit of the Secured Parties, all of the Borrower's right, title and interest in all of the following, wherever located, and whether now or hereafter existing, owned or acquired: (i) the Purchaser's Interest (including without limitation the Equipment described on Schedule II hereto); (ii) the Receivable Purchase Agreement; (iii) the Cash Collateral Account, and all funds and investments deposited therein; and (iv) all proceeds of the foregoing (collectively, the "Collateral").

SECTION 2.3 Release Date. Promptly after the date on which the Commitments of the Lenders have terminated and all Secured Obligations have been paid in full (the "Release Date"), this Agreement shall terminate and the Collateral Agent shall execute and deliver such termination statements, releases, reassignments and other documents as shall be reasonably requested and prepared by the Lessee or the Agent, at the Lessee's or the Agent's (as the case may be) expense, to effect the release of the Collateral from the Collateral Agent's Lien hereunder.

SECTION 2.4 Acknowledgment. Each of the parties hereto and each of its respective Affiliates acknowledge and agree that so long as no Event of Default under the Lease is continuing, no party hereto will (and it will not permit any person claiming by, through or under such party to) interfere with the peaceful and quiet possession and enjoyment of the Equipment by Lessee (provided that no party hereto shall be responsible for the actions of any other party to the Operative Documents).

SECTION 3 RECEIPT, DISTRIBUTION AND APPLICATION OF CERTAIN PAYMENTS IN RESPECT OF LEASE AND LEASED PROPERTY

SECTION 3.1 Distribution and Application of Rent Payments.

(a) Base Rent. Subject to the provisions of Sections 3.4 and 3.5 hereof, each payment of Base Rent (and any payment of interest on overdue installments of Base Rent) received by the Collateral Agent with respect to any Leased Property shall be distributed to the Participants as follows: (i) an amount equal to the accrued and unpaid interest (including overdue interest) on the Loans then due shall be distributed to each Lender and each Conduit pro rata in accordance with the outstanding amount of Loans owed to it and (ii) an amount equal to the accrued interest (including overdue interest) on the Lessor Contribution then due shall be distributed to the Agent for the account of the Lessors. In the event that the Base Rent received by the Collateral Agent on any date is insufficient to cover all amounts due to each Participant on such date, such Base Rent shall be distributed to each Participant on a Pro Rata Basis.

(b) Other Amounts. Except as provided otherwise in this Section 3, each payment of Rent (other than Base Rent) received by the Collateral Agent shall be paid to or upon the order of the Person owed the same.

SECTION 3.2 Distribution and Application of Purchase Payments. Subject to the provisions of Sections 3.4 and 3.5 hereof, with respect to any Leased Property, the payment by the Lessee of:

(a) the Aggregate Lease Investment Balance for a consummated sale of such Leased Property in connection with the Lessee's exercise of the Purchase Option under Section 14(a) of the Lease, or

(b) all or a portion of the Aggregate Lease Investment Balance of such Leased Property in accordance with Section 17 of the Lease,

shall be distributed by the Collateral Agent as promptly as possible as follows: (i) first, an amount not exceeding the Guaranteed Residual Value with respect to such Leased Property shall be distributed to each of the Secured Parties pro rata in accordance with the outstanding amount of Loans owed to such Secured Party, which amount shall be applied to its respective outstanding Loans in respect of such Leased Property and (ii) second, any remaining amount shall be distributed to the Agent for the benefit of the Lessors and shall be applied to the Lessor Contribution in respect of such Leased Property.

SECTION 3.3 Distribution and Application of Proceeds Upon Exercise of Sale Option. Subject to the provisions of Sections 3.4 and 3.5 hereof, any payments received by the Collateral Agent in connection with the Lessee's exercise of the Sale Option shall be distributed by the Collateral Agent as promptly as possible (it being understood that any such payment received by the Collateral Agent on a timely basis and in accordance with the provisions of the Lease shall be distributed on the date received in the funds so received) in the following order of priority:

first, so much of such amount that constitutes proceeds from the sale of Equipment and does not exceed the excess of the Aggregate Lease Investment Balance over the Aggregate Guaranteed Residual Value shall be paid to the Agent on behalf of the Lessors;

second, so much of such amount remaining (whether constituting such proceeds or otherwise) that does not exceed the Aggregate Guaranteed Residual Value shall be paid to the Secured Parties, on a proportionate basis (based on their respective outstanding Loans), for application to the remaining interest on, and principal of, the Loans; and

third, any amount remaining shall be paid to the Agent on behalf of the Lessors.

SECTION 3.4 Distribution and Application of Payments Received When an Event of Default Exists or Has Ceased to Exist Following Rejection of the Lease. Notwithstanding anything in this Agreement to the contrary, but subject to the provisions of Section 3.5 hereof, any payments received by the Agent or the Collateral Agent when an Event of Default has occurred and is continuing (or has ceased to exist by reason of a rejection of the Lease in a proceeding with respect to the Lessee described in Article VII (e) or (f) of the Credit Agreement) shall, if received by Agent, be paid to the Collateral Agent as promptly as possible, and shall be distributed or applied in the following order of priority prior to the Release Date:

first, to the Secured Parties, the Agent and the Lessors, on a proportionate basis (based on the respective amounts owed to them (directly or indirectly) under the Operative Documents) for application to such amounts; and

second, to the Lessee or such Person or Persons claiming by, under or through the Lessee otherwise legally entitled thereto, the excess, if any;

and on and after the Release Date, such amounts shall be paid over to the Agent (on behalf of the Lessors) for application to any remaining Lessor Contribution and accrued and unpaid interest thereon and any other amount owing to the Agent and the Lessors under the Operative Documents and the excess, if any, thereafter remaining shall be distributed by the Agent to the Lessee or such Person or Persons otherwise legally entitled thereto.

SECTION 3.5 Payments of Increased Costs, Indemnities and Taxes. Notwithstanding the other provisions of this Section 3, any payments of amounts referred to in Sections 3.1, 3.2, 3.3 or 3.4 hereof received by the Collateral Agent or the Agent shall be distributed first, to the Agent for application by the Agent to any unpaid amounts due to the Agent pursuant to Sections 8, 12 or 13 of the Lease and second, to the Participants for any amounts paid to the Collateral Agent or the Agent on account of amounts due to such Participants pursuant to Sections 8, 12 or 13 of the Lease, before the applicable payment is distributed as provided in Sections 3.1, 3.2, 3.3 or 3.4 above (as applicable) provided, that if the Collateral Agent or the Agent shall receive from the Lessee at any time after the Collateral Agent or the Agent shall have made a distribution in respect of clause first of this Section 3.5, an amount (a "Reimbursed Amount") in respect of the amount so distributed, the Collateral Agent or the Agent (as applicable) shall distribute such Reimbursed Amount as provided in Section 3.1, 3.2, 3.3 or 3.4 hereof (as applicable).

SECTION 3.6 Cash Collateral Account. On or before the Restatement Effective Date, the Lessee shall either (x) establish with the Collateral Agent a segregated account, located at the Collateral Agent (the "Cash Collateral Account") or (y) arrange for the issuance to the Collateral Agent of a letter of credit, in the amount of the lesser of \$825,831.47 and 2% of the Aggregate Guaranteed Residual Value for all of the Leased Property, as set forth for the applicable period on Schedule III hereto, from a bank rated A-1 and P-1 by Moody's and S&P and in form and substance reasonably satisfactory to Collateral Agent (the "Letter of Credit"). The Cash Collateral Account shall be in the name, and under the sole dominion and control, of the Collateral Agent. On the Restatement Effective Date, the Lessee shall deposit, or cause to be deposited, in the Cash Collateral Account an amount equal to the lesser of \$825,831.47 and 2% of the Aggregate Guaranteed Residual Value for all of the Leased Property, as set forth for the applicable period on Schedule III hereto (the "Maximum Amount"). All funds on deposit in the Cash Collateral Account shall be invested in Permitted Investments at the direction of the Lessee (or, if an Event of Default has occurred and is continuing, at the direction of the Liquidity Agent). All interest earned on such Permitted Investments shall be deposited in the Cash Collateral Account, and may be released to the Lessee once a month so long as the amount so on deposit is at least equal to the Maximum Amount and no Event of Default has occurred and is continuing. If on any payment date under the corresponding Operative Document any Secured Party does not receive the full amount due to it on such date, the Collateral Agent shall withdraw the amount of such deficiency from the Cash Collateral Account to the extent of the funds on deposit therein, or draw on the Letter of Credit, and shall apply it to the Secured Obligations then due that remain unpaid, on a proportionate basis; provided that, so long as any Conduit Loans are outstanding, no such withdrawal or draw shall be made to the extent that the amount of funds on deposit in the Cash Collateral Account, or the remaining drawable amount under the Letter of Credit, after giving effect thereto, would be less than 2% of the Aggregate Guaranteed Residual Value for all of the Leased Property. If the Lessee subsequently makes such deficient payment, such payment shall be deposited to the Cash Collateral Account or returned to the Letter of Credit issuer to the extent of the previous withdrawal or draw. If there are any amounts remaining in the Cash Collateral Account on the Release Date, such amounts shall be returned promptly to the Lessee.

SECTION 4 AMENDMENTS; EXERCISE OF REMEDIES

SECTION 4.1 Amendments to Operative Documents. The parties hereto acknowledge and agree that, except as set forth below in this Section 4.1, all rights of the Agent to exercise any election or option, or make any decision or determination, or give any notice, consent, waiver or approval under or in respect of, the Lease or any other Operative Document (other than remedies while an Event of Default is continuing), have been expressly retained by the Agent and that the Agent may exercise such rights in its sole discretion. Notwithstanding the foregoing provisions of this Section 4.1, the Agent agrees that, without the consent of (A) all of the Participants, it will not amend or modify any of the Operative Documents or grant any waiver or exercise any election or option, if the effect thereof would be to (i) change the amount or timing of payment of any Base Rent, Lease Investment Balance, Termination Amount or interest at the Overdue Rate, (ii) discharge Agent's Lien on the Leased Property (except pursuant to the Operative Documents) or (iii) change the identity of any Lessor or the Agent (unless a change of any such identity is necessary to avoid or mitigate a violation of Applicable Law) or (iv) consent to any assignment of the Lease releasing

the Lessee from its obligations in respect of the payments due pursuant to the Operative Documents or changing the absolute and unconditional character of such obligations, or any release of any guarantor or (B) the Required Participants, it will not amend, modify or waive (i) any of the provisions set forth in Section 20 or 21 of the Lease or (ii) any provision of the Operative Documents which increases the amounts which would be payable pursuant to clause first of Section 3.5 hereof. The parties hereto agree not to change the vote required for a change, waiver, discharge or termination of the Lease which would change, directly or indirectly, the voting requirements of Section 16 of the Lease or the definition of Required Lessors or Required Participants therein. Notwithstanding anything to the contrary in this Agreement, no provision of this Agreement may, without the prior written consent of the Lessee, be amended, waived, discharged, terminated or otherwise varied if such amendment, waiver, discharge, termination or other variation would materially adversely affect, alter or change the rights and privileges of the Lessee under this Agreement.

SECTION 4.2 Exercise of Remedies.

(a) Event of Default. With respect to any Default as to which written notice thereof by the Agent to the Lessee is a requirement to cause such Default to become an Event of Default, the Agent may at any time in its discretion give such notice, provided that the Agent agrees to give such notice to the Lessee promptly upon receipt of a written request by the Required Lenders or the Liquidity Agent.

(b) Acceleration of Lease Balance. When an Event of Default exists, the Agent, upon the direction of the Required Participants, shall exercise remedies under Section 21 of the Lease to demand Lessee purchase the Leased Property by payment in full of the Lease Investment Balance (the "Acceleration"). Following the Acceleration, the Agent shall consult with the Liquidity Agent regarding actions to be taken in response to such Event of Default. The Agent (1) shall not, without the prior written consent of the Required Participants and (2) shall (subject to the provisions of this Section), if so directed by the Required Participants, do any of the following: commence foreclosure proceedings, or file a lawsuit against the Lessee, or sell the Leased Property, or exercise other remedies against the Lessee under the Operative Documents in respect of such Event of Default; provided, however, that any payments received by the Agent shall be distributed in accordance with Section 3. Notwithstanding any such consent, direction or approval by the Required Participants of any such action or omission, the Agent shall have no obligation to follow such direction if the same would, in the Agent's reasonable judgment, require the Agent to expend its own funds or expose the Agent to liability, expense, loss or damages unless and until the Lenders advance to the Agent an amount which is sufficient, in Agent's reasonable judgment, to cover such liability, expense, loss or damage (excluding the Agent's pro rata share thereof). Notwithstanding the foregoing, on and after the Release Date, the Secured Parties shall have no right to the Leased Property or any proceeds thereof, the Secured Parties shall have no rights to direct or give consent to any actions with respect to such Leased Property and the proceeds thereof, the Agent shall have absolute discretion with respect to such exercise of remedies with respect to such Leased Property, and the proceeds thereof, including, without limitation, any foreclosure or sale of such Leased Property and the Agent shall have no liability to the Secured Parties with respect to the Agent's actions or failure to take any action with respect to such Leased Property.

SECTION 4.3 Loan Event of Default. If a Loan Event of Default exists at any time when an Event of Default does not exist, the Collateral Agent shall take such action with respect to the Collateral as directed by the Required Lenders or the Liquidity Agent, including commencing foreclosure proceedings or filing a lawsuit against the Borrower, provided that the Collateral Agent shall have no obligation to follow such direction if the same would, in the Collateral Agent's reasonable judgment, require the Collateral Agent to expend its own funds or expose the Collateral Agent to liability, expense, loss or damages unless and until the Secured Parties advance to the Collateral Agent an amount which is sufficient, in the Collateral Agent's reasonable judgment, to cover such liability, expense, loss or damage.

SECTION 5 THE COLLATERAL AGENT

SECTION 5.1 Appointment. Each Secured Party hereby irrevocably designates and appoints the Collateral Agent as the agent of such Secured Party under this Agreement and the other Operative Documents, and each such Secured Party irrevocably authorizes the Collateral Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Operative Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and the other Operative Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Secured Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Operative Document or otherwise exist against the Collateral Agent.

SECTION 5.2 Delegation of Duties. The Collateral Agent may execute any of its duties under this Agreement and the other Operative Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Collateral Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

SECTION 5.3 Exculpatory Provisions. Neither the Collateral Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Operative Document (except for its or such Person's own gross negligence or willful misconduct) or (b) responsible in any manner to any of the Secured Parties for any recitals, statements, representations or warranties made by the Agent, the Borrower or the Lessee or any officer thereof contained in this Agreement or any other Operative Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Collateral Agent under or in connection with, this Agreement or any other Operative Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Operative Document or for any failure of the Agent, the Borrower or the Lessee to perform its obligations hereunder or thereunder. The Collateral Agent shall not be under any obligation to any Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements

contained in, or conditions of, this Agreement or any other Operative Document, or to inspect the properties, books or records of the Agent, the Borrower or the Lessee.

SECTION 5.4 Reliance by Collateral Agent. The Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Agent, the Borrower or the Lessee), independent accountants and other experts selected by the Collateral Agent. The Collateral Agent may deem and treat the payee of any Lender Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Collateral Agent. The Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Operative Document unless it shall first receive such advice or concurrence of the Required Participants (or, pursuant to Section 4.3, the Required Lenders) as it deems appropriate in good faith or it shall first be indemnified to its satisfaction by the Secured Parties against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Operative Documents in accordance with a request of the Required Participants (or, pursuant to Section 4.3, the Required Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Secured Parties. The Collateral Agent agrees that it will not take any discretionary action under the Lease without the consent of the Required Participants (or, pursuant to Section 4.3, the Required Lenders).

SECTION 5.5 Non-Reliance on Collateral Agent and Other Secured Parties. Each Secured Party expressly acknowledges that neither the Collateral Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Collateral Agent hereinafter taken, including any review of the affairs of the Agent, the Borrower or the Lessee, shall be deemed to constitute any representation or warranty by the Collateral Agent to any Secured Party. Each Secured Party represents to the Collateral Agent that it has, independently and without reliance upon the Collateral Agent or any other Secured Party, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Agent, the Borrower and the Lessee and made its own decision to make its Loans. Each Secured Party also represents that it will, independently and without reliance upon the Collateral Agent or any other Secured Party, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Operative Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Agent, the Borrower and the Lessee. The Collateral Agent shall not have any duty or responsibility to provide any Secured Party with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Agent, the Borrower or the Lessee which may come into the possession of the Collateral Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

SECTION 5.6 Indemnification. The Secured Parties agree to indemnify the Collateral Agent in its capacity as such (to the extent not reimbursed by the Lessee and without limiting the obligation of the Lessee to do so) on a pro rata basis in proportion to their Loans, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time be imposed on, incurred by or asserted against the Collateral Agent in any way relating to or arising out of this Agreement, any of the other Operative Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Collateral Agent under or in connection with any of the foregoing; provided that no Secured Party shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the Collateral Agent's gross negligence or willful misconduct. The agreements in this Section 5.6 shall survive the payment of the Secured Obligations and all other amounts payable hereunder.

SECTION 5.7 Collateral Agent in Its Individual Capacity. The Collateral Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Agent, the Borrower or the Lessee as though the Collateral Agent were not the Collateral Agent hereunder and under the other Operative Documents. With respect to Loans made or renewed by it or any of its Affiliates, the Collateral Agent or such Affiliate shall have the same rights and powers under this Agreement and the other Operative Documents as any Lender and may exercise the same as though it or its Affiliate were not the Collateral Agent, and the terms "Lender" and "Lenders" shall include the Collateral Agent or such Affiliate in its individual capacity. Each Lender acknowledges that the Collateral Agent or its Affiliates has had and continues to have other business relations and transactions with the Lessee.

SECTION 5.8 Successor Collateral Agent. The Collateral Agent may resign as Collateral Agent upon 20 days' written notice to the Secured Parties and the Lessee. If the Collateral Agent shall resign as Collateral Agent under this Agreement and the other Operative Documents, then the Required Lenders shall appoint a successor agent for the Secured Parties, which successor agent shall (i) have been approved by the Lessee (which approval shall not be unreasonably withheld, and which approval shall not be required while an Event of Default under the Lease is continuing) and (ii) be a commercial bank organized under the laws of the United States of America or any State thereof or under the laws of another country which is doing business in the United States of America and having a combined capital, surplus and undivided profits of at least \$100,000,000, whereupon such successor agent shall succeed to the rights, powers and duties of the Collateral Agent, and the term "Collateral Agent" shall mean such successor agent effective upon such appointment and approval, and the former Collateral Agent's rights, powers and duties as Collateral Agent shall be terminated, without any other or further act or deed on the part of such former Collateral Agent or any of the parties to this Agreement. After any retiring Collateral Agent's resignation as Collateral Agent, all of the provisions of this Section 5 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Collateral Agent under this Agreement and the other Operative Documents.

SECTION 6 MISCELLANEOUS

SECTION 6.1 Amendments and Waivers. Neither this Agreement nor any terms hereof or thereof may be amended, supplemented or modified except in writing signed by the parties hereto. Notwithstanding anything to the contrary in this Agreement, no provision of this Agreement may, without the prior written consent of the Lessee, be amended, waived, discharged, terminated or otherwise varied if such amendment, waiver, discharge, termination or other variation would materially adversely affect, alter or change the rights and privileges of the Lessee under this Agreement.

SECTION 6.2 Notices. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including facsimile communication) and shall be personally delivered or sent by United States certified mail, postage prepaid, or overnight courier or by facsimile, to the intended party at the address or facsimile number of such party set forth opposite its name on Schedule I hereto or at such other address or facsimile number as shall be designated by such party in a notice to the other parties hereto as herein provided. All such notices and communications shall be effective, (i) if personally delivered, when received, (ii) if sent by certified mail, three Business Days after having been deposited in the United States mail, postage prepaid, (iii) if sent by overnight courier, one Business Day after having been sent, and (iv) if transmitted by facsimile during business hours on a Business Day, when sent, receipt confirmed by telephone or electronic means (and if sent after hours or on a day other than a Business Day, on the next Business Day).

SECTION 6.3 No Waiver, Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Collateral Agent or any Secured Party, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

SECTION 6.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto, all future holders of the Lender Notes and their respective successors and permitted assigns. Each Lender party to the Committed Loan Agreement and each Lender that executes and delivers an Assignment Agreement shall be deemed to be bound by the terms hereof.

SECTION 6.5 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same agreement. A set of the counterparts of this Agreement signed by all the parties hereto shall be lodged with the Collateral Agent.

SECTION 6.6 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6.7 Entire Agreement. This Agreement and the other Operative Documents set forth the entire agreement of the parties hereto with respect to its subject matter, and supersedes all previous understandings, written or oral, with respect thereto.

SECTION 6.8 Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or thereof or affecting the validity, enforceability or legality of any such provision in any other jurisdiction.

SECTION 6.9 Waiver of Jury Trial. EACH PARTY HERETO HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT OR ANY OTHER OPERATIVE DOCUMENT OR UNDER ANY AMENDMENT, INSTRUMENT OR DOCUMENT DELIVERED OR WHICH MAY BE IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER OPERATIVE DOCUMENT AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT A JURY.

SECTION 6.10 No Proceedings. Each of the parties hereto hereby agrees that it will not institute against either the Conduit or the Borrower, or join any other Person in instituting against either the Conduit or the Borrower any insolvency proceeding (namely, any proceeding of the type referred to in Section 6.1(d) or (e) of the Receivable Purchase Agreement).

SECTION 6.11 Further Assurances. The parties hereto agree to execute, deliver and record such financing statements, assignments and other documents as may be reasonably requested by the Collateral Agent to effect the provisions of this Agreement.

SECTION 6.12 No Recourse. No recourse under any obligation, covenant or agreement of Borrower contained in this Agreement shall be had against J H Management Corporation (“JHM”) or any incorporator, stockholder, officer, director or employee of Borrower or JHM, or by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Agreement is solely a corporate obligation of Borrower, and that no personal liability whatsoever shall attach to or be incurred by the incorporators, stockholders, officers, directors or employees of Borrower or JHM, or any of them under or by reason of any of the obligations, covenants or agreements of Borrower contained in this Agreement, or implied therefrom, and that any and all personal liability for breaches by Borrower of any such obligations, covenants or agreements either at common law or at equity, or by statute or constitution, of JHM and every such incorporator, stockholder, officer, director or employee is hereby expressly waived as a condition of and in consideration for the execution of this Agreement.

SECTION 6.13 Third Party Beneficiaries. The parties agree that the parties hereto, other than the Agent and the Lessee, are third party beneficiaries of Sections 8, 12 and 13 of the Lease, may enforce any provision thereof directly in its own name against Lessee and agree to perform their respective obligations under said Sections.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

EQUISTAR CHEMICALS, L.P.
as Lessee

By: _____
Name:
Title:

SUMITOMO BANK LEASING AND FINANCE, INC.,
as Agent and Seller,

By: _____
Name: William M. Ginn
Title: President

ECLP FUNDING CORP.,
as Purchaser and Borrower

By: _____
Name:
Title:

MADISON FUNDING CORPORATION,
as a Secured Party

By: _____
Name:
Title:

THE SUMITOMO BANK, LIMITED, NEW YORK
BRANCH, as Liquidity Agent and Collateral Agent

By: _____
Name: Kazuyoshi Ogawa
Title: Joint General Manager



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

EQUISTAR CHEMICALS, L.P.
as Lessee

By: Debra L. Starnes

Name *Debra L. Starnes*

Title *Senior Vice President*

GAO

SUMITOMO BANK LEASING AND FINANCE, INC.,
as Agent and Seller,

By: _____

Name

Title

ECLP FUNDING CORP.,
as Purchaser and Borrower

By: _____

Name

Title

MADISON FUNDING CORPORATION,
as a Secured Party

By: _____

Name:

Title

THE SUMITOMO BANK, LIMITED, NEW YORK
BRANCH, as Liquidity Agent and Collateral Agent

By: _____

Name.

Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written

EQUISTAR CHEMICALS, L P
as Lessee

By _____
Name
Title

SUMITOMO BANK LEASING AND FINANCE, INC ,
as Agent and Seller,

By _____
Name
Title

ECLP FUNDING CORP ,
as Purchaser and Borrower

By. *Dolores A. Bitar*
Name DOLORES A. BITAR
Title Vice President

MADISON FUNDING CORPORATION,
as a Secured Party

By _____
Name
Title

THE SUMITOMO BANK, LIMITED, NEW YORK
BRANCH, as Liquidity Agent and Collateral Agent

By _____
Name
Title

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

EQUISTAR CHEMICALS, L.P.
as Lessee

By: _____
Name:
Title:

SUMITOMO BANK LEASING AND FINANCE, INC.,
as Agent and Seller,

By: _____
Name
Title

ECLP FUNDING CORP.,
as Purchaser and Borrower

By: _____
Name
Title:

MADISON FUNDING CORPORATION,
as a Secured Party

By: Emi Ueji
Name Emi M. Ueji
Title AUTHORIZED SIGNER

THE SUMITOMO BANK, LIMITED, NEW YORK
BRANCH, as Liquidity Agent and Collateral Agent

By: _____
Name:
Title

SCHEDULE I

Notice Information

Equistar Chemicals, LP
One Houston Center
1221 McKinney Street
P.O. Box 3646
Houston, Texas 77253-3646
Telephone: 513/530-6500
Facsimile: 513/530-6845
Attention: Charles Daly

Sumitomo Bank Leasing and Finance, Inc.
277 Park Avenue
New York, New York 10172
Telephone: 212/224-5200
Facsimile: 212/224-5222
Attention: Chief Credit Officer

ECLP Funding Corp.
One International Place
Boston, Massachusetts 02110
Telephone: 617-951-7000
Facsimile: 617-951-7050
Attention: Tiffany Percival

Madison Funding Corporation
c/o First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670
Telephone: 312/732-4647
Facsimile: 312/732-1844
Attention: Bill Marshall

The Sumitomo Bank, Limited
New York Branch
277 Park Avenue
New York, New York 10172
Facsimile: 212/593-9522
Attention: Asset Backed Finance
and
Telephone: 212/224/4152
Facsimile: 212/224-5191
Attention: William Aguiar

SCHEDULE II

Equipment Description

<u>Type</u>	<u>Quantity</u>	<u>Car Numbers</u>
6011 CF Aluminum Covered Hopper Car	125	QCCX 1000-1124
5851 CF Steel Covered Hopper Car	532	QCCX 2000-2531

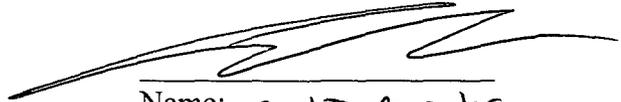
SCHEDULE III

Cash Collateral Coverage

<u>From</u>	<u>To</u>	<u>Debt Amount Outstanding (%)</u>	<u>Cash Collateral Coverage</u>
December 3, 1997	December 2, 1998	100.00%	825,831.47
December 3, 1998	December 2, 1999	95.17%	785,970.48
December 3, 1999	December 2, 2000	90.86%	750,382.66
December 3, 2000	December 2, 2001	86.56%	714,812.96
December 3, 2001	December 2, 2002	82.25%	679,243.34
at any time on or after December 3, 2002		77.94%	643,673.72

ACKNOWLEDGEMENT

I, Carl J. Morales, certify that I am the Assistant Vice President of Sumitomo Bank Leasing and Finance, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act of and deed of the corporation. I further declare under penalty of perjury that the foregoing is true and correct. Executed on December 3, 1997.



Name: Carl J. Morales
Title: Assistant Vice President

ALL-PURPOSE ACKNOWLEDGMENT

State of New York
County of Queens

On December 3, 1997 before me, Jeannette Carmona Notary Public
Date Name, Title of Officer, e.g., Jane Doe,
Notary Public

personally appeared Carl J. Morales

personally known to me - OR -

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Jeannette Carmona
Signature of Notary

JEANNETTE CARMONA
Notary Public, State of New York
No 01CA5072806
Qualified in Queens County
Commission Expires Feb 10 / 999

CAPACITY CLAIMED BY SIGNER:

- INDIVIDUAL (S)
 - CORPORATE OFFICER (S)
- _____
- TITLE
- _____
- TITLE

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY (IES)

- PARTNER (S)
 - ATTORNEY-IN-FACT
 - TRUSTEE (S)
 - SUBSCRIBING WITNESS
 - GUARDIAN/CONSERVATOR
 - OTHER _____
- _____
- _____

