

EFH Leasing Corporation

SUITE 200
ONE WEST MAIN STREET
ROCHESTER, NEW YORK 14614

No. *9-066A 130*

Date *MAR 7 1979*

Fee *50.00*

ICC Washington, D. C.

RECORDATION NO. *10178* March 6, 1979
Filed 1425

MAR 7 1979 - 2 15 PM

INTERSTATE COMMERCE COMMISSION

RECEIVED
MAR 7 2 11 PM '79
I.C.C.
FILE OPERATION BR.

Mrs. Mildred Lee
Room 1227
Interstate Commerce Commission
12th and Constitution Avenue
Washington, D. C. 20423

Dear Mrs. Lee:

Enclosed for filing pursuant to the provisions of Section 20c of the Interstate Commerce Act are an original and two certified copies of the Railcar Equipment Lease dated February 22, 1979 between EFH Leasing Corporation, Suite 200, One West Main Street, Rochester, New York 14614 as lessor, and Borden Chemical, Division of Borden, Inc., 180 East Broad Street, Columbus, Ohio 43215 as lessee.

The lease covers 100 34,000 Gallon DOT 105A 300W Non-Coiled and Insulated Tank Cars manufactured by Richmond Tank Car Company. The Tank Cars bear AAR reporting marks BCDX 401 through 500.

Also enclosed is a check in the amount of \$50 payable to the Interstate Commerce Commission in payment of the required recordation fee.

Please return the original document to:

EFH Leasing Corporation
c/o Joseph H. Reynolds, Esq.
Nixon, Hargrave, Devans & Doyle
Lincoln First Tower
P.O. Box 1051
Rochester, New York 14603

Sincerely,

Donald C. Sarin
Donald C. Sarin
Vice President

Enclosures

Joseph H. Reynolds
Donald C. Sarin
Joseph H. Reynolds

Interstate Commerce Commission
Washington, D.C. 20423

3/7/79

OFFICE OF THE SECRETARY

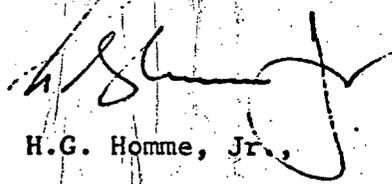
Donald C. Sarin
Vice President
E.F.H Leasing Corp.
Suite 200
One West Main St.
Rochester, New York 14614

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 3/7/79 at 2:15pm, and assigned recordation number(s)

10178

Sincerely Yours,


H.G. Homme, Jr.,
Secretary

Enclosure(s)

SE-30-T
(2/78)

CERTIFICATION

RECORDATION NO. 10178 Filed 1425

MAR 7 1979 -2 15 PM

INTERSTATE COMMERCE COMMISSION

I hereby certify that I have compared the attached copy of the Railcar Equipment Lease dated February 22, 1979 between EFH Leasing Corporation, as lessor, and Borden Chemical, Division of Borden, Inc., as lessee, with the original document and that it is a true and correct copy in all respects.

March 6, 1979


Notary Public

JUSTIN P. DOYLE
Notary Public in the State of New York
MONROE COUNTY, N. Y.
Commission Expires March 30, 1979.

Copy

COUNTERPART
2 OF 7
DUPLICATE

RAILCAR EQUIPMENT LEASE

THIS RAILCAR EQUIPMENT LEASE dated on or as of February 22, 1979 (the Lease), between EFH Leasing Corporation ("Lessor") and Borden Chemical, Division of Borden, Inc. ("Lessee").

W I T N E S S E T H:

SECTION 1. DEFINITIONS

As used herein the term "Lessor's Cost" shall mean the amount for each Item set forth in Exhibit A, the terms Expiration Date, Daily Interim Lease Rate, Basic Lease Rate, Rent Commencement Date, First Basic Rent Date, Basic Rent Dates, Delivery Point and Last Basic Rent Date, shall have the meanings with respect to each Item of Equipment set forth in Exhibit C hereto; and the terms Casualty Value and Termination Value shall have the meaning with respect to any Item of Equipment set forth in Exhibit D hereto.

SECTION 2. LEASE OF EQUIPMENT; ACCEPTANCE OF ITEMS

2(a) Subject to the terms and conditions of this Lease, the Lessor hereby agrees to lease to the Lessee and the Lessee hereby agrees to lease from the Lessor such of the items of equipment (herein referred to collectively as the Equipment and individually as an Item or Item of Equipment) as shall be described in one or more Equipment Schedules substantially in the form of Exhibit A hereto and accepted by Lessee's execution and delivery of one or more certificates of acceptance substantially in the form of Exhibit B hereto (a Certificate of Acceptance). Upon execution of a Certificate of Acceptance for one or more Items described in an Equipment Schedule, the Equipment therein described shall become subject to this Lease for all purposes hereof.

2(b) Lessor shall acquire title to each Item of Equipment from the manufacturer ("Builder") concurrently with Lessee's acceptance of each such Item. Lessor hereby appoints Lessee as its agent for inspection, acceptance or

rejection of each Item. Lessor will cause each Unit to be tendered to the Lessee at the Delivery point, which shall also constitute the place of delivery of each Item by the Builder to Lessor. Upon tender of each Item, Lessee will cause its agent specifically designated for the purpose to inspect each such Item and, if such Item is found to be acceptable, to execute and deliver (i) to the Builder an acceptance on Lessor's behalf in the form specified by the Lessor, and (ii) to the Lessor a Certificate of Acceptance as specified in Section 2(a) hereof. Lessee shall not use any Item of Equipment, nor permit it to be placed into any service, until it has been accepted by Lessee pursuant to this Section 2(b).

SECTION 3. TERM AND RENT; MILEAGE EARNINGS

3(a) The term of this Lease as to each Item of Equipment shall begin on the date of the Certificate of Acceptance executed with respect to such Item and shall end on the Expiration Date with respect to such Item of Equipment, unless this Lease shall have been terminated with respect to such Item of Equipment, or the term of this Lease shall have been extended with respect to such Item of Equipment, by the terms hereof.

3(b) The Lessee shall pay to the Lessor as Basic Rent (herein referred to as Basic Rent) for each Item of Equipment subject to this Lease, the following:

(i) on the first day of each month, commencing March 1, 1979 to and including July 1, 1979, payment in arrears of an amount equal to the Daily Interim Lease Rate for each day of the prior month that such Item has been leased;

(ii) on the First Basic Rent Date, in arrears for the first semiannual period of the Lease term, an amount equal to the Basic Lease Rate of such Item; and

(iii) on each Basic Rent Date thereafter to and including the Last Basic Rent Date, in arrears for each succeeding semi-annual period of the Lease term, an amount equal to the Basic Lease Rate of such Item.

3(c) The Lessee shall pay to the Lessor on demand, any amount payable hereunder (other than Basic Rent) which the Lessee assumes the obligation to pay, or agrees to pay, under this Lease to the Lessor or others (herein referred to as Supplemental Rent and, together with all Basic Rent, as Rent).

3(d) All payments of Rent hereunder shall be paid to the Lessor or its successors or assigns at its address set forth herein or at such other address as the Lessor may direct by notice in writing to the Lessee.

3(e) All mileage allowances to which Lessor becomes entitled as owner of the Equipment and which Lessor receives shall be paid over to Lessee for its account and sole benefit. Forthwith upon its receipt of any payment of mileage earnings, Lessor shall remit such payment, suitably identified, to Lessee. Lessor shall make all registrations required by applicable tariffs in order to be entitled to mileage earnings, but Lessor shall have no obligation to keep records pertaining to mileage earnings, or to make claims against any carrier for underpayments or payment delays, except that Lessor shall cooperate with Lessee, at Lessee's expense, in pursuing any such claim where the participation of the owner of the Equipment is necessary. Lessee may, if permitted by applicable tariffs and regulations, register the Items in its own name and cause each Item to be marked with Lessee's markings in order to facilitate the payment to Lessee of mileage earnings. Lessee agrees to reimburse Lessor upon demand for any payment Lessor may be required to make to any carrier due to mileage equalization where applicable, resulting from excess empty mileage being incurred by any Items of Equipment.

SECTION 4. NET LEASE AND LIMITATION OF LESSEE'S LIABILITY

4(a) This Lease is a net lease and no right, title or interest in the Equipment shall pass to the Lessee except the right to maintain possession and use of the Equipment during the term and in accordance with the provisions hereof, and the Lessee acknowledges and agrees that Lessee's obligation to pay all Rent hereunder, and the rights of Lessor in and to such Rent, shall be absolute and unconditional and shall not be subject to any abatement, reduction, set-offs, defense, counterclaim or

recoupment (Abatements) for any reason whatsoever, including without limitation, Abatements due to any present or future claims of Lessee against Lessor under this Lease or otherwise, or against the manufacturer or seller of any Item of Equipment. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the respective obligations of Lessor or Lessee be affected, by reason of any defect in or damage to, or any loss or destruction of, any Item of the Equipment from whatsoever cause, or the interference or interruption with the use thereof by any private person, corporation or governmental authority, or by reason of any incapability of Lessor or any assignee of Lessor to enforce this Lease or because of any insolvency, bankruptcy, reorganization or other similar proceeding against Lessor or any claim which Lessee has or may acquire against Lessor or any failure of Lessor to perform or comply with any of the terms of this Lease or any other occurrence whatsoever, any present or future law or regulation to the contrary notwithstanding. It is the express intention of Lessor and Lessee that all Rent payable by Lessee hereunder shall be, and continue to be, payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. Lessee hereby waives any right which it now has or which may be acquired by or conferred upon it by any law or order of any court or other governmental authority to terminate or quit this Lease, except pursuant only to the express provisions of this Lease.

4(b) Although this Lease is not intended as a security agreement, this instrument may be filed or recorded, or evidenced thereof may be filed under the appropriate provision of the Interstate Commerce Act, by Lessor, in its discretion, so as to give notice thereof to any interested parties.

SECTION 5. RETURN OF EQUIPMENT

5(a) Upon the expiration or termination of this Lease with respect to any Items of Equipment subject hereto, the Lessee shall, at no cost to Lessor, cause the Items of Equipment for which the Lease has expired or been terminated to be returned to the Lessor or its designee at such point or points, as may be mutually agreed upon by Lessor and Lessee (which shall, if feasible, be a contract maintenance shop employed by Lessee to maintain its

Equipment) empty, free from residue, and in such order and condition as is required by Section 9(a) hereof and as will permit Lessor immediately to sell or release the Equipment without repair and in such condition as is necessary to have the Equipment comply with all applicable laws and regulations. Lessee shall, on demand, reimburse Lessor for the cost of cleaning any Equipment that is not clean. Lessee shall provide up to 30 days of storage of such Equipment at its expense at the redelivery point. The Equipment, upon redelivery pursuant hereto, shall be free and clear of, all mortgages, liens, security interests, charges, encumbrances and claims (Liens), other than Liens either (i) resulting from action by Lessor and not taken as the result of any default by Lessee, or (ii) resulting from claims against Lessor (Liens described in clauses (i) and (ii) above being herein referred to as "Lessor's Liens").

5(b) In the event that any Item is not delivered to Lessor on or before the date of expiration or termination of this Lease or such Item fails to conform to any of the requirements of Section 5(a), then, in addition to any claim for damages or other remedy which Lessor may have, all of the obligations of Lessee under this Agreement, with respect to any such Item, shall remain in full force and effect until such Item is redelivered to Lessor.

SECTION 6. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSOR

6(a) Lessor represents and warrants that it has received whatever title was conveyed to it by the Builder of each Item of Equipment, that Lessor has all necessary corporate power and authority to acquire and own the Equipment and to lease the Equipment pursuant to this Lease, and that the Equipment shall be free of liens which may result from claims against the Lessor not related to the ownership of the Equipment.

6(b) The warranty set forth in paragraph (a) of this Section is in lieu of all other warranties of the lessor, whether written, oral, or implied; and Lessee acknowledges and agrees that (i) the Equipment is of a size, design, capacity and manufacture selected by Lessee; (ii) Lessor is not a manufacturer of the Equipment nor a dealer in property of such kind, (iii) AS TO LESSOR,

LESSEE LEASES THE EQUIPMENT AS IS AND LESSOR HAS NOT MADE, AND HEREBY DISCLAIMS, ANY OTHER REPRESENTATIONS OR WARRANTIES, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR THE CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR ORDERS RELATING THERETO, NOR SHALL THE LESSOR BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES (INCLUDING STRICT LIABILITY IN TORT) EVEN IF THE LESSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, but Lessor authorizes Lessee, at the Lessee's expense, to assert for Lessor's account, during the term of this Lease, all of Lessor's rights, if any, under the manufacturer's or seller's warranty and the Lessor agrees to cooperate with Lessee in asserting such rights; provided, however, that the Lessee shall indemnify and shall hold Lessor harmless from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by Lessor in connection therewith, as a result of, or incidental to, any action by Lessee pursuant to the above authorization. Any amount received by the Lessor or the Lessee as payment under any such warranty shall be applied to restore the Equipment to the condition required by Section 9(a) hereof, with the balance of such amount, if any, to be paid over to the Lessee.

6(c) Lessor covenants that, so long as Lessee is not in default hereunder, Lessee shall be permitted to possess the Equipment and to sublease the Equipment as provided herein, without interference by Lessor or Lessor's creditors or any other person claiming through or under Lessor.

SECTION 7. LIENS

Lessee will not directly or indirectly create, incur, assume or suffer to exist any Liens on or with respect to the Equipment, Lessor's title thereto or any interest therein (and Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge any such Lien), except (1) the respective rights of Lessor and Lessee as herein provided, (2) Lessor's Liens, (3) Liens for taxes either not yet due or being contested in good faith and by appropriate proceedings, if

special counsel for Lessor shall have determined that the nonpayment of any such tax or the contest of any such payment in such proceedings do not, in the opinion of such counsel, adversely affect the title, property, or rights of Lessor, (4) inchoate materialmen's, mechanics', workmen's, repairmen's employees' or other like Liens arising in the ordinary course of business of the Lessee and not delinquent, and (5) the rights of any sublessee under any sublease permitted hereunder.

SECTION 8. TAXES; INDEMNITY

8(a) Lessee agrees to pay and to indemnify Lessor (in both its individual and fiduciary capacities) for, and hold Lessor harmless from and against, sales, use, personal property, ad valorem, value added, leasing, leasing use, stamp and other taxes, levies, imposts, duties, charges, or withholdings of any nature, together with any penalties, fines or interest thereon (Impositions), arising out of the transactions contemplated by this Lease and imposed against Lessor, Lessee or the Equipment by any federal, state, local or foreign government or taxing authority upon or with respect to the Equipment or upon the sale, purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Lease (excluding, however, taxes on, or measured solely by, the net income of Lessor), provided, however, that Lessee may contest in good faith the payment of any imposition after giving to the Lessor written notice of any such Imposition, which notice shall state that such Imposition is being contested by the Lessee in good faith and by appropriate proceedings and counsel for Lessor shall have determined that the nonpayment thereof or the contest thereof in such proceedings do not, in the opinion of such counsel, adversely affect the title, property or rights of Lessor. In case any report or return is required to be made with respect to any obligation of the Lessee under this Section or arising out of this Section, Lessee will either (after notice to Lessor) make such report or return in such manner as will show the ownership of the Equipment in Lessor or will notify Lessor of such requirement and make such report or return in such manner as shall be satisfactory to Lessor. If Lessor shall receive a refund of all or part of any tax or other Imposition previously paid by Lessee, the Lessor shall promptly pay the said refund to Lessee.

8(b) Lessee agrees to pay, and to indemnify and hold Lessor harmless from, any claim against or loss suffered by Lessor arising from a disallowance by any state or federal taxing authority of any investment tax credit allowed by Section 38 of the Internal Revenue Code of 1954, as amended, (the "Code") on the Builder's sale price to Lessor for each Item, or deductions for accelerated depreciation allowed by Section 167 of the Code, or a change in the treatment of this Lease for tax purposes by such authority, which disallowance or change is not caused by any misrepresentation, act or omission by Lessor; provided, however, Lessee has made no representation to Lessor with respect to any tax benefit to be received by Lessor on account of this Lease. Lessee shall be liable to indemnify Lessor against any such loss or claim in an amount which will, after deduction therefrom of all income taxes required to be paid by Lessor in respect of the receipt of such amount, compensate Lessor for the loss including interest, penalties or additional taxes payable. Such indemnity payment shall be made only if (i) Lessor gives Lessee notice of such proposed disallowance; (ii) Lessor permits Lessee, at its expense, to defend Lessor against such proposed disallowance in administrative and judicial proceedings (including suits for refund of taxes erroneously assessed); and (iii) Lessor cooperates fully with Lessee in any such defense. In the event of a successful suit for refund of tax for which lessee has indemnified Lessor pursuant to this Section, Lessor shall immediately pay over to Lessee in cash an amount equal to the amount of such refund, but not more than the amount paid by Lessee to Lessor by way of such indemnity.

8(c) Lessor's cancellation, or the termination or expiration of this Lease with respect to any Item of Equipment shall not relieve either party of its obligations under this Section which have accrued or may accrue prior to the return of such Item of Equipment pursuant to Section 5 hereof.

SECTION 9. USE, MAINTENANCE AND OPERATION, IDENTIFYING MARKS, INCENTIVE PAYMENTS.

9(a) Lessee shall cause the Equipment to be maintained in good condition, which shall be equal to or greater than the higher of (i) any standard required or set forth for the Equipment or equipment of a similar

class by the Association of American Railroads (the "AAR") or (ii) any standard set by any other industry or governmental authority having jurisdiction over the Equipment, and subject to the provisions of Section 9(e) to arrange for all alterations, modifications, improvements or additions to the Equipment required to comply with applicable laws, regulations and requirements, with the Code of Rules of the AAR and with the rules and regulations of the Federal Railroad Administration with respect to the use, maintenance and operation of each Item of Equipment. Lessee agrees to pay any maintenance changes assessed by any railroad pursuant to applicable AAR Intercharge Rules. Lessee will cause to be maintained any interior lading protection services, special interior linings and removable parts in good condition and repair.

9(b) Lessee, at its own cost and expense, may from time to time make such alterations, modifications and additions (including, without limitation, any special devices, assemblies or racks at any time attached or affixed to any Item of Equipment, the cost of which is not included in the initial purchase price of such Unit and which are not required for the operation or use of such Item by the Interstate Commerce Commission, the United States Department of Transportation or any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over such Item) (hereinafter collectively called Additions) to the Equipment as Lessee may deem desirable in the proper conduct of its business so long as such Additions shall not be inconsistent with the continuing operation of the Equipment, and shall not diminish the value, utility or condition of the Equipment below the value, utility and condition there immediately prior to the making of such Additions, assuming the Equipment was then in the condition required to be maintained by the terms of this Lease; provided, however, that no such Addition shall be made if it is not readily removable from the Item of Equipment to which it relates without material damage thereto and without diminishing or impairing the value or utility which the Item of Equipment had immediately prior to such time had such Addition not been made.

9(c) Title to all Parts (as hereinbelow defined) incorporated in or installed as part of the Equipment shall without further act vest in Lessor and be subject to a valid first lien and prior perfected security interest of any security assignee of Lessor in the following case:

(i) such Part is in replacement or in substitution for, and not in addition to, any Part originally incorporated in or installed as part of a Item of Equipment at the time of the acceptance thereof hereunder or any Part in replacement of, or in substitution for any such original Part, (ii) such Part is incorporated in or installed as part of the Equipment pursuant to AAR or governmental standards or requirements, or (iii) notwithstanding the provisions of Section 9(b), such Part cannot be readily removed from the Equipment to which it relates without material damage thereto and without diminishing or impairing the value or utility which such Equipment shall have had at such time had such alteration or addition not occurred. In all other cases, if no Event of Default hereunder (or other event which after lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, title to Parts incorporated in or installed as parts of the Equipment as a result of such alterations or additions shall vest in Lessee. The term Part for the purposes of this Lease shall be defined to include any appliance, part, instrument, accessory, furnishings or other equipment of any nature which may from time to time be incorporated in or installed as part of any Item of Equipment.

9(d) Lessee shall, prior to delivery of the Equipment to the first user place reporting marks or such other marks, legends, or placards on each Item of Equipment as shall be appropriate or necessary to comply with any regulation imposed by the AAR or to protect the interest of Lessor and any party having a security interest through Lessor and take reasonable steps to insure that such markings are maintained. If any such marking shall at any time be removed, defaced or destroyed, Lessee shall immediately cause it to be restored or replaced at Lessee's cost. Lessee shall be permitted to board, placard or stencil the Equipment with letters not to exceed two inches (2") in height with the recording marks of the user of the Equipment and such other information required by the Rules of the AAR and place such other markings as do not jeopardize the interests of Lessor or any party having a security interest through Lessor.

9(e) In the event an alteration, modification, improvement or addition to any Item of Equipment is required by the AAR, Department of Transportation or other industry or governmental agency, or is otherwise required

to comply with applicable laws, regulations or requirements (a "Required Modification"), Lessee shall cause the Required Modification to be made at Lessee's sole expense if the cost is less than \$200 per unit. If the cost will exceed \$200 per Unit, Lessee shall give Lessor prompt notice of such requirement. Lessor shall authorize Lessee to cause to be made such alterations, modifications, improvements or additions at Lessor's own expense, in which event the annual rental under this Lease shall be increased by the amount of \$8.40 per semi-annual lease period per \$100 of cost of the Required Modification which increased amount of rental shall remain in effect for the remaining term of the Lease.

If the estimated cost of the Required Modification exceeds \$5,000 per item, Lessor may request that Lessee finance the Required Modification in which case Lessee shall advance the cost of the Required Modification on Lessor's behalf, against receipt of Lessor's promissory note in the amount of the advance, bearing interest at the rate of 9% per annum, payable over 9 years in equal semi-annual installments (except that the first installment shall be pro-rated) payable on January 1, and July 1, of each year until the principal is paid in full (a "Modification Note"). Each Modification Note shall identify the Items of Equipment to which it relates. Each semi-annual installment payment of principal and interest shall be in an amount equal to 8.4% of the original principal amount of the Modification Note, payable from Rent hereunder or rentals from any re-lease of the related Items of Equipment. In the event Items of Equipment related to one or more Modification Notes are sold by Lessor (or Lessor recovers a Casualty Value payment thereon), all net proceeds of such sale or recovery shall be applied to prepay any related Modification Notes then outstanding, subject, however, to the prior rights and security interests of any secured party having a security interest in the Equipment or this Lease. Lessor's obligation on any Modification Note shall be satisfied only from rentals derived from the related Items of Equipment or the net proceeds of sale or other disposition thereof. Lessee and its assigns shall have no recourse against Lessor for any amount remaining unpaid on any Modification Note after disposition of all related Items of Equipment. For all Required Modifications, the Casualty Values and Termination Values scheduled in Exhibit D shall apply, with the January 1, or July 1, nearest the date of installation being deemed the First Basic Rent Date for the required Modification for the purpose of calculating the Casualty Value and Termination Value.

9(f) Lessor shall not be responsible for the payment of any tax, tariff, duty, customs, switching, demurrage or other charge made by any governmental, railroad or other agency in respect of any of the Equipment, and Lessee agrees to pay or reimburse Lessor promptly for any such charges.

9(g) Lessee shall not use or permit use of the Equipment in any manner which would exclude any Item from being "Section 38 property" as that term is used in the Code; nor shall the Equipment be used in any Unit Train operations. In the event the average per Unit mileage, loaded or unloaded, for all Items of Equipment scheduled in a particular Equipment Schedule exceeds 50,000 miles in any calendar year, Lessee shall pay Lessor additional rental of one and one-half cents (1 1/2¢) per mile for all miles traveled by such Items in such calendar year in excess of the 50,000 mile average. Not more than ninety (90) days after the end of each calendar year Lessee shall furnish to Lessor a mileage report for the preceding year covering the Equipment and such report shall be accompanied by any rental payment due for excess mileage for such calendar year.

SECTION 10. REPRESENTATIONS AND WARRANTIES OF LESSEE

Lessee represents and warrants to Lessor and any security assignee of the Lessor that:

10(a) Lessee is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation.

10(b) The execution, delivery and performance by Lessee of this Lease have been duly authorized by all necessary corporate action on the part of Lessee, and this Lease is not inconsistent with Lessee's certificate of incorporation or bylaws, does not contravene any law or governmental rule, regulation or order applicable to it, does not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which it is a party or by which it is bound, and this Lease constitutes a legal, valid and binding agreement of the Lessee, enforceable in accordance with its terms.

10(c) No consent or approval of, giving of notice to, registration with, or taking of any other action in respect of, any state, federal or other governmental authority or agency is required with respect to the execution, delivery and performance by the Lessee of this Lease or, if any such approval, notice, registration or action is required, it has been obtained.

10(d) There are no actions, suits or proceedings pending or, to the knowledge of Lessee, threatened against or affecting Lessee in any court or before any governmental commission, board or authority which, if adversely determined, will have a material adverse effect on the ability of the Lessee to perform its obligations under this Lease.

SECTION 11. INSPECTION

Lessor and its agents, nominees or assigns shall have the right, but not the duty, to inspect the Equipment. Upon the request of Lessor, Lessee shall confirm to Lessor the location of each Item of Equipment and shall, at any reasonable time that does not hinder Lessee's operations, make the Equipment, and Lessee's records pertaining to the Equipment, available to the Lessor for inspection.

SECTION 12. LOSS OR DESTRUCTION; REQUISITION

12(a) Responsibility for loss or destruction of, or damage to, any Item of Equipment or part thereof, or appurtenances thereto, furnished under this Lease shall be as fixed by the then prevailing Code of Rules of the AAR and said Code of Rules shall establish the rights, obligations and liabilities of Lessor, Lessee, and any railroad subscribing to such Code of Rules and moving the Equipment over its lines, in respect of all matters to which said Code of Rules relates. In the event that any Item of Equipment is lost, damaged, or destroyed while on the tracks of Lessee, any private track, or on the track of a railroad that does not subscribe to such Code of Rules, or in the event that any Item of Equipment is damaged by any commodity which may be transported or stored in or on such Item of Equipment, as between Lessor and Lessee, such repairs, renewals, or replacements as may be necessary to replace the Item or to place it in good

order and repair, shall be at the sole cost and expense of Lessee, provided that in the event of the destruction or irreparable damage to any Item, Lessee shall promptly pay to Lessor the greater of either (i) the value of such Item of Equipment in accordance with such Code of Rules or (ii) the Casualty Value of such Item of Equipment applicable as of the last Basic Rent Date preceding the date of the loss, together with rental at the Daily Interim Lease Rate for the number of days from said Basic Rent Date to the date of loss. Lessor and Lessee agree to cooperate with and to assist each other in any reasonable manner requested, but without affecting their respective obligations under this Section 12(a), to establish proper claims against parties responsible for loss or destruction of, or damage to any Item of Equipment.

12(b) Lessor shall have the right, but shall not be obligated to substitute for any Item of Equipment which shall be damaged or destroyed another Item of similar value, type, capacity and condition.

12(c) In the event of the requisition for use by the United States Government or any agency thereof of any Item of Equipment during the term of this Lease or any renewal thereof, all of the Lessee's obligations to make payments under this Lease with respect to such Item of Equipment shall continue during the lease term to the same extent as if such requisition had not occurred, and if such Item of Equipment is returned by the Government at any time after the end of the term of this Lease, Lessee shall be obligated to return such Item of Equipment to Lessor in the manner set forth in Section 5 hereof promptly upon such return by the Government rather than at the end of the term of this Lease; but Lessee shall in all other respects comply with the provision of said Section 5 with respect to such Item of Equipment. All payments received by Lessor or Lessee from the Government for the use of such Item of Equipment during the term of this Lease shall be paid over to, or retained by, Lessee provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing; and all payments received by Lessor or Lessee from the Government for the use of such Item after the term of this Lease or for title to such Item, shall be paid over to, or retained by, Lessor.

SECTION 13. INSURANCE

13(a) At all times during the term of this Lease, Lessee agrees, for each Item of Equipment subject to this lease and at its own cost and expense, to obtain and maintain insurance against (i) damage and risk of loss of each such Item of Equipment resulting from fire, windstorm, explosion and all other risks ordinarily insured against by companies owning or leasing property of a similar character in amounts not less than the Casualty Value established for that Item of Equipment, and (ii) bodily injury and property damage liability insurance with limits of not less than \$20,000,000 per occurrence. All policies with respect to such casualty insurance shall name Lessor and its assignee as additional assureds and loss payees, as their interests may appear, and provide for at least 30 days prior written notice to all loss payees, by the underwriter or insurance company to the Lessor and its assignee in the event of cancellation, alteration or expiration of such insurance. Certificates or other reasonable evidence showing the existence of such insurance and the terms and conditions of the policy shall be delivered to Lessor simultaneously with the execution of the Certificate of Acceptance and periodically prior to each expiration of such insurance. Lessee shall, at Lessor's request, cause any party to whom a security interest in the Equipment is granted by the Lessor (excluding the Builder) to be added as an additional insured and loss payee under such policies. Lessee covenants, warrants and represents that it will not do or voluntarily suffer or permit any act to be done whereby any insurance required hereunder shall or may be suspended, impaired or defeated.

13(b) In lieu of the casualty insurance required by subdivision (i) of Section 13(a), Lessee may self-insure against all casualty risks. In the event Lessee elects self-insurance, it shall notify Lessor in writing of that election.

SECTION 14. INDEMNIFICATION

Lessee agrees to indemnify, protect, save and keep harmless Lessor from and against any and all liabilities, obligations, losses, damages, penalties, claims (including, without limitation, claims involving strict or absolute liability), actions, suits, costs,

expenses and disbursements (including, without limitation, legal fees and expenses) of any kind and nature whatsoever (Claims) which may be imposed on, incurred or asserted against Lessor, whether or not Lessor shall also be indemnified as to any such Claim by any other person, in any way relating to or arising out of this Lease or any document contemplated hereby, or the performance or enforcement of any of the terms hereof or thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, sublease, possession, use, operation, maintenance, condition, registration, return, or storage of any Item of Equipment, any commodity loaded or shipped in any Item of Equipment or any accident in connection therewith (including, without limitation, latent and other defects whether or not discoverable and any Claim for patent, trademark or copyright infringement); provided, however, that Lessee shall not be required to indemnify Lessor for (1) any Claim in respect to any Item of Equipment arising from acts, omissions or events which occur after possession of such Item of Equipment has been returned to Lessor in accordance with Section 5, or (2) any Claim resulting from acts which would constitute the willful misconduct or gross negligence of the person otherwise entitled to indemnification. Lessee agrees that Lessor shall not be liable to Lessee for any Claim caused directly or indirectly by the inadequacy of any Item of Equipment for any purpose or any deficiency or defect therein or the use or maintenance thereof or any repairs, servicing or adjustments thereto or any delay in providing or failure to provide any thereof or any interruption or loss of service or use thereof or any loss of business, all of which shall be the risk and responsibility of the Lessee. The rights and indemnities of Lessor hereunder are expressly made for the benefit of, and shall be enforceable by, Lessor, and its respective successors and assigns.

SECTION 15. SUBLEASE

15(a) It is understood and agreed that Lessee intends to sublease the Equipment for a portion of each year. So long as no Event of Default has occurred and is continuing hereunder, Lessee may sublease any Item of Equipment so long as such sublease is subordinate and subject to the terms, covenants, and conditions of this Lease.

15(b) Notwithstanding any provision herein contained to the contrary, to the extent that the sublessee performs its obligations under the sublease, the Lessee shall have been deemed to have performed its obligations under the corresponding provisions of this Lease; provided, however, that no sublease or other relinquishments of the possession of the Equipment shall in any way discharge or terminate any of Lessee's obligations to Lessor hereunder.

SUBSECTION 16. EVENTS OF DEFAULT

The following events shall constitute Events of Default:

16(a) Lessee shall fail to make any payment required hereunder and such failure shall continue for 10 days after written notice thereof from Lessor to Lessee; or;

16(b) Lessee shall fail to perform or observe any other material covenant, condition, or agreement to be performed or observed by it under this Lease or any document or certificate delivered by Lessee in connection herewith, and such failure shall continue for 20 days after written notice thereof from Lessor to Lessee; or

16(c) Any representation or warranty made by Lessee in this Lease or in any document or certificate furnished to Lessor in connection herewith shall prove to have been incorrect in any material respect when given and is not cured within 20 days after written notice thereof from Lessor to Lessee, provided however, that if Lessee diligently undertakes to remedy such default as soon as practicable after the aforementioned written notice, then no event of default shall occur after such 20 days so long as such diligent undertaking continues during a period no longer than 90 days after such written notice; or

16(d) A petition in bankruptcy shall be filed by Lessee or Lessee shall make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver; or a trustee or a receiver shall be appointed for Lessee, for any part of the Equipment or for a substantial part of its property without its consent and shall not be dismissed within a period of 60 days or such longer period to which Lessor, in its sole discretion,

agrees in writing, or bankruptcy, reorganization or insolvency proceedings shall be instituted against Lessee and shall not be dismissed for a period of 60 days or such longer period to which Lessor, in its sole discretion, agrees in writing; or

16(e) Lessee shall attempt to remove, sell, transfer, encumber, part with possession of, assign or sublet any Item of the Equipment except as expressly permitted by the provisions of this Lease or consented to in writing by Lessor.

SECTION 17. REMEDIES

17(a) Upon the occurrence of any Event of Default and so long as the same shall be continuing, Lessor may, at its option, declare this Lease to be in default by written notice to such effect given to Lessee, and at any time thereafter, Lessor may exercise one or more of the following remedies, as Lessor in its sole discretion shall lawfully elect:

(i) Proceed by appropriate court action, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof;

(ii) By notice in writing terminate this Lease, whereupon all rights of Lessee to the use of the Equipment shall absolutely cease and terminate but Lessee shall remain liable as hereinafter provided; and thereupon Lessee, if so requested by the Lessor, shall at its expense promptly return the Equipment to the possession of Lessor in the manner specified in Section 5 of this Lease as though the term of this Lease had expired and in the condition required upon the return thereof pursuant to and in accordance with the terms hereof, or Lessor, at its option, may enter upon the premises where the Equipment is located and take immediate possession of the Equipment and remove the same by summary proceedings or otherwise. Lessee shall, without further demand, forthwith pay to Lessor an amount equal to any unpaid Rent due and payable for all periods up to and including the Basic Rent Date

following the date on which Lessor has declared this Lease to be in default, plus, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the Casualty Value of the Equipment, computed as of the Basic Rent Date preceding the date on which Lessor has declared this Lease to be in default. Following the return of the Equipment to Lessor pursuant to this paragraph (2), and the payment of the Casualty Value by Lessee, Lessor shall proceed to sell the Equipment in such commercially reasonable manner as it may deem appropriate. The proceeds of such sale (or an amount equal to the best bona fide sale offer if Lessor elects to retain the Equipment) shall be applied by Lessor (A) first, to all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by Lessor as a result of the default and the exercise of its remedies with respect thereto, and (B) second, to reimburse Lessee for the Casualty Value to the extent previously paid by Lessee as liquidated damages. Any surplus remaining thereafter shall be retained by Lessor.

(iii) By notice in writing to Lessee, terminate Lessee's rights under this Lease with respect to the Equipment and re-lease the same in a commercially reasonable manner, as Lessor in its sole discretion may determine, free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or for any proceeds with respect thereto; provided, however that Lessee's obligation to pay Basic Rent with respect to such Equipment for periods commencing after Lessee shall have been deprived of possession of such Equipment pursuant to this Section 16 shall be reduced by the net proceeds, if any, received by Lessor from leasing such Equipment to any person other than Lessee for the same period.

17(b) Lessee shall be liable for all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by Lessor by reason of the occurrence of any Event of Default or the exercise of the Lessor's remedies with respect thereto.

17(c) No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity. No express or implied waiver by Lessor of any default or Event of Default hereunder shall in any event be, or be construed to be, a waiver of any future or subsequent default or Event of Default. The failure or delay of Lessor in exercising any rights set forth herein shall not constitute a waiver of any such right upon the continuation of recurrence of any such contingencies or similar contingencies and any single or partial exercise of any particular right by Lessor shall not exhaust the same or constitute a waiver of any other right provided herein.

17(d) The default remedies specified in this Section 17 shall be exercisable by a particular Lessor (or assignee) only with respect to the Items of Equipment scheduled on the Equipment Schedule(s) held by such Lessor (or assignee), and such remedies shall not be exercised against Items scheduled on any other Equipment Schedule held by another party, except if Lessee is also in default hereunder as to such other party.

SECTION 18. EARLY TERMINATION: OPTION TO RENEW OR PURCHASE

18(a) If no Event of Default shall have occurred and be continuing, Lessee shall have the right, upon at least 120 days prior written notice to Lessor, to terminate this Lease, on any Basic Rent Date on or after the First Termination Date set forth in Exhibit C, with respect to five (5) or more Items of the Equipment. During the period from the giving of such notice until the Basic Rent Date specified in Lessee's notice of termination (the "Termination Date"), Lessee and Lessor shall each use reasonable efforts to obtain bids for the sale of the affected Items of Equipment and shall advise one another promptly of the terms of each bid obtained. On the Termination Date, Lessee shall deliver the affected Items of Equipment to the place or party specified by Lessor, in the condition required by Section 5 of this Lease. A bid for purchase of the affected Items of Equipment shall be deemed to be a "Qualifying Bid" if it is in full force and effect on the Termination Date, is payable all in cash on the Termination Date against

delivery of the Items of Equipment and is made by a prospective purchaser having credit reasonably satisfactory to Lessor. Lessee shall on the Termination Date pay to Lessor the Termination Value, reduced (but not below zero) by the net cash proceeds payable pursuant to the terms of the highest Qualifying Bid for purchase, after deducting all reasonable expenses of sale incurred by Lessor, including brokerage commissions, delivery expenses, sales or use taxes, and any other tax on the sale of the Equipment. Acceptance of a Qualifying Bid shall be for purposes of establishing the Lessee's obligation for Termination Value and shall not require Lessor to sell the Equipment. Lessor intends to re-lease the Equipment if feasible upon termination or expiration of this Lease.

18(b) Basic Rent shall cease to accrue on the Termination Date or such later date as Lessee pays to Lessor the amount required by Section 18(a) to be paid on the Termination Date. Lessee may cancel its notice of termination at any time at least 30 days prior to the Termination Date, by giving Lessor written notice to such effect.

18(c) Provided that Lessee is not in default hereunder, the following steps shall be taken in order to enable Lessee to make an informed judgment as to exercising one of the options set forth below:

(i) At least 120 days prior to the expiration of the then current term of the Lease (whether the original term or a renewal term), Lessee shall notify Lessor in writing of Lessee's interest in continued use of a specified number of Items of Equipment beyond the current term of the Lease by leasing for a renewal term of specified duration (which shall be at least two years and not more than eight years) or by purchasing.

(ii) At least 100 days prior to the expiration of the then current term, Lessor and Lessee shall consult together for the purpose of determining the "Fair Rental Value" and the "Fair Market Value" of the affected Items of Equipment as of the end of such current term. The Fair Rental Value and the Fair Market Value shall be determined on the basis of, and shall be equal in

amount to, the value which would obtain in an arms-length transaction between an informed and willing renter-user or buyer-user, as the case may be (other than (1) a lessee currently in possession and (2) a used equipment dealer), and an informed and willing renter or seller, as the case may be, under no compulsion to rent or sell. Fair Rental Value shall be determined on the basis of a renewal term of the duration specified in Lessee's notice to Lessor.

(iii) If 90 days prior to the expiration of the then current term, Lessor and Lessee have not agreed upon a determination of the Fair Rental Value and the Fair Market Value, such undetermined values shall be determined, in accordance with the foregoing definition, by a qualified independent appraiser selected by Lessee and satisfactory to Lessor. The appraiser so selected shall, at the expense of Lessee, make such determination within a period of 30 days following appointment and shall promptly communicate such determination in writing to Lessor and Lessee. The determination so made shall be conclusively binding upon both Lessor and Lessee.

(iv) Following determination of Fair Rental Value and Fair Market Value as provided above, Lessee shall have the right to elect one of the following options:

A. Purchase the affected Items of Equipment at the end of the current term for a price equal to the Fair Market Value by notifying Lessor at least 30 days prior to the expiration of the current term, of Lessee's election to purchase, and by paying to Lessor the Fair Market Value in cash on or prior to the expiration of said term; or

B. Lease the affected Items of Equipment for a renewal term by notifying Lessor at least 30 days prior to the expiration of the current term, of Lessee's election to extend the term of the Lease for the renewal term specified in Lessee's notice and by paying either the Fair Rental

Value therefor or the Basic Lease Rate,
whichever is lower.

SECTION 19. TITLE TO CARS AND ASSIGNMENT

19(a) Lessor's rights hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, and Lessor may assign, pledge mortgage, transfer or otherwise dispose of title to the Equipment with or without notice to Lessee. An assignment of any Equipment Schedule shall constitute an assignment of this Lease and all rights and rentals but only with respect to the Equipment described in such Equipment Schedule so assigned. Any such assignment, pledge, mortgage, transfer or other disposition shall contain provisions which expressly provide that (i) Lessee's rights under this Lease shall be superior to the rights of the assignee, secured party or transferee and (ii) no action shall be taken which might adversely affect Lessee's right to possession and quiet enjoyment (or the right to sub-lease), so long as an Event of Default shall not have occurred and then be continuing. In addition, in the event of such assignment, pledge, mortgage or transfer, Lessee agrees to execute any and all documents reasonably required by the assignee, pledgee or transferee as appropriate to confirm such third party's interest in and to the Equipment, this Lease and the Exhibits hereto.

19(b) Lessee acknowledges and agrees that by the execution thereof it does not obtain, and by payment and performance hereunder it does not and will not have or obtain, any title to the Equipment or any Item thereof at any time subject to this Lease, nor any property, right or interest therein, legal or equitable, except solely as Lessee hereunder and subject to all of the terms hereof.

SECTION 20. NOTICES

All communications and notices provided for herein shall be in writing and shall be in (i) sent certified or registered mail, return receipt requested and deposited in the United States mail, with proper postage prepaid, addressed (1) if to the Lessor at the address set forth on the signature page hereof or such other address as Lessor may specify in writing from time to time, and (2) if to the Lessee, at its address set forth on the

signature page hereof, or such other address as Lessee may specify in writing from time to time; or (ii) personally delivered to the Lessor or Lessee. All such notices shall become effective when actually received.

SECTION 21. AMENDMENTS AND MISCELLANEOUS

21(a) The terms of this Lease shall not be waived, altered modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by Lessor and Lessee.

21(b) This Lease shall be binding upon Lessor and Lessee and inure to the benefit of Lessor, any assignee of Lessor accepting an assignment or other hypothecation of the rights of Lessor under one or more Equipment Schedules to this Lease, and the successors and assigns, agents and servants of any of them, and Lessee and its successors and, to the extent permitted hereby, assigns.

21(c) Lessee will promptly and duly execute and deliver to Lessor such further documents and assurances and take such further action as Lessor may from time to time reasonably request in order to more effectively carry out the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder including without limitation the execution and filing of financing statements, continuation statements or other documents necessary to create, perfect, protect and preserve the interests of Lessor, its successors, or assigns and any security interest acquired by a secured party with respect to the Equipment or this Lease.

21(d) All agreements, representations, indemnifications and warranties contained in this Lease or in any document or certificate delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Lease and the expiration or other termination of this Lease.

21(e) Any provision of this Lease, which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be 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 provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

21(f) This Lease shall constitute an agreement of lease and nothing herein shall be construed as conveying to Lessee any right, title or interest in or to the Equipment, except as lessee only.

21(g) This Lease, when executed, will contain the entire agreement between Lessor and Lessee and supersedes all prior agreements and understandings relating to the subject matter hereof. No other agreement shall be effective to change, modify, or terminate this Lease in whole or in part unless such agreement is in writing and duly signed by the parties hereto. No representations, inducements, promises, or agreements, oral or otherwise, which are not embodied herein shall be of any force or effect.

21(h) The single executed original of this Lease marked Original shall be the Original and all other counterparts hereof shall be marked and be Duplicates. To the extent that this Lease constitutes chattel paper, as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction, no security interest in this Lease may be created through the transfer or possession of any counterpart other than the Original. Lessee hereby consents to any hypothecation of this Lease or the creation of a security interest herein by Lessor.

21(i) This Lease shall be construed in accordance with, and shall be governed by, the laws of the State of Ohio.

21(j) Section headings are for convenience only and shall not be construed as part of this Lease.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease on or as of the date set forth in the first paragraph of this Lease.

BORDEN CHEMICAL, DIVISION
OF BORDEN, INC.

EFH LEASING CORPORATION
as Lessor

MB

By *J. Kanahan*
Title *Vice President*

By *Warren F. Wallace*
Title President

Address: 180 East Broad
Street
Columbus, Ohio
43215

Address: Suite 200
One West Main Street
Rochester, New York
14614

Acknowledgement for EFH Leasing Corporation

STATE OF OHIO :
COUNTY OF FRANKLIN : ss:

On this 22nd day of February, 1979 before me personally appeared Warren F. Wallace, to me personally

signer known, who being by me duly sworn, says he is the President of EFH Leasing Corporation, that the

title seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mary Katherine Caito
Notary or other officer

MARY KATHERINE CAITO
NOTARY PUBLIC, FRANKLIN COUNTY, OHIO
MY COMMISSION EXPIRES OCT. 30, 1981

My commission expires _____

Acknowledgement for Borden Chemical, Division of Borden, Inc.

STATE OF Ohio :
COUNTY OF Franklin ss:

On this 26th day of February, 1979 before me personally appeared J.B. Carnahan, to me personally
signer
known, who being by me duly sworn, says he is
the Vice President of Borden Chemical, Division of

title
Borden, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Millicent C. Harrison
Notary or other officer

My commission expires _____

MILLICENT C. HARRISON
NOTARY PUBLIC, FRANKLIN COUNTY, OHIO
MY COMMISSION EXPIRES OCTOBER 21, 1980

EXHIBIT A-____

DESCRIPTION OF EQUIPMENT

This is one of the Equipment Schedules under the Equipment Lease dated February ____, 1979 (the "Lease") between EFH LEASING CORPORATION as lessor (the "Lessor") and BORDEN CHEMICAL, DIVISION OF BORDEN, INC.

1. Specifications Covering All Items of Equipment

34,000 G. DOT 105A300W Non-Coiled and Insulated Tank Cars manufactured by Richmond Tank Car Company as per R.T.C. Est No. 2945-TS.

2. Description of Items Covered By This Equipment Schedule.

<u>Quantity</u>	<u>Type</u>	<u>Builders Nos.</u>	<u>Lessee's Marks and Numbers</u>	<u>Lessor's Cost per Item</u>
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EFH LEASING CORP.

By:

_____ Date _____, 1979
[Lessor]

BORDEN CHEMICAL, DIVISION OF BORDEN, INC.

By:

EXHIBIT B
CERTIFICATE OF ACCEPTANCE NO. ___
under

Equipment Lease dated February __, 1979 (the "Lease"), between EFH LEASING CORPORATION as lessor (the "Lessor"), and BORDEN CHEMICAL, DIVISION OF BORDEN, INC. as lessee (the "Lessee").

1. ITEMS OF EQUIPMENT COVERED BY THIS CERTIFICATE:

The Lessee hereby certifies that the Items of Equipment described above, being certain of the Items of Equipment described in Exhibit A-1 hereto, have been inspected by agent for the Lessee, and accepted as Items of Equipment under the Lease at the location indicated below and on the date indicated below:

PLACE OF ACCEPTANCE: Sheldon, Texas

DATE OF ACCEPTANCE:

2. REPRESENTATIONS BY THE LESSEE

The Lessee hereby represents and warrants that:

(a) No Event of Default or event which, with the giving of notice or the lapse of time, or both would become such an Event of Default has occurred and is continuing, and

(b) The representations and warranties of the Lessee contained in the Lease as of the date thereof and at all times thereafter to and including the Date of Acceptance are true and correct.

(c) The Items of Equipment described herein have not been used by the Lessee prior to the Date of Acceptance.

BORDEN CHEMICAL, DIVISION OF BORDEN, INC.

By _____

Title _____

THIS CERTIFICATE SHALL BE EFFECTIVE ONLY WHEN EXECUTED AND DELIVERED BY LESSEE'S DESIGNATED AGENT.

DATE: _____, 1979
DESIGNATED AGENT FOR
BORDON CHEMICAL, DIVISION OF
BORDON, INC.

EXHIBIT C

Expiration Date: June 30, 1991

Rent Commencement Date: Acceptance Date for each Item as specified in Acceptance Certificate

Daily Interim Lease Rate: \$19.45 per Item of Equipment

Basic Lease Rate: \$3,500 per Item per semi-annual period

These Lease Rates are based on on an assumed builder's sale price of \$55,932 per Item. If the actual builder's sale price for any Item is higher or lower the Lease Rates shall be adjusted proportionately. For example, an increase of 1% change in the builder's sale price shall result in a 1% change in the Lease Rates.

First Basic Rent Date: January 1, 1980

Basic Rent Dates: January 1 and July 1 of each year

Last Basic Rent Date: July 1, 1991

Return of Equipment: As Per Section 5 of the Lease

First Termination Date: July 1, 1984

Delivery Point: Yards of Richmond Tank Car Company; Southern Pacific RR Tracks Sheldon, Texas

EXHIBIT D-2

TERMINATION VALUE

The Termination Value of each Item of Equipment, as of any time shall be the Termination Value set forth below opposite the applicable Basic Rent Date Number, last preceding the date of the loss.

BASIC RENT DATE NO.	CASUALTY VALUE AS A % OF LESSORS COST	BASIC RENT DATE NO.	CASUALTY VALUE AS A % OF LESSORS COST
Jan. 1, 1980	106.2%	July 1, 1986	77.4%
July 1, 1980	106.1%	Jan. 1, 1987	67.6%
Jan. 1, 1981	106.0%	July 1, 1987	64.3%
July 1, 1981	105.9%	Jan. 1, 1988	60.6%
Jan. 1, 1982	105.7%	July 1, 1988	56.9%
July 1, 1982	98.9%	Jan. 1, 1989	52.9%
Jan. 1, 1983	97.9%	July 1, 1989	49.3%
July 1, 1983	96.2%	Jan. 1, 1990	45.3%
Jan. 1, 1984	94.5%	July 1, 1990	40.8%
July 1, 1984	85.78%*	Jan. 1, 1991	38.0%
Jan. 1, 1985	83.3%	July 1, 1991	35.0%
July 1, 1985	80.4%		

"Lessors Cost" shall mean

- (1) For each Item of Equipment the "Lessor's Cost" for such Item Scheduled in the appropriate Exhibit A.
- (2) For each Required Modification - Actual Cost

* First Date for Early Termination