

CRAVATH, SWAINE & MOORE

RECORDATION NO. 12645-B Filed 1265

ONE CHASE MANHATTAN PLAZA  
NEW YORK, N. Y. 10005

APR 10 1986 - 12 40 PM

INTERSTATE COMMERCE COMMISSION

COUNSEL  
MAURICE T. MOORE  
TELEPHONE  
212 422-3000

TELEX  
RCA 233663  
WUD 125547  
WUI 620976  
TRT 177149

CABLE ADDRESSES  
CRAVATH, N. Y.  
CRAVATH, LONDON E. C. 2  
2 HONEY LANE, CHEAPSIDE  
LONDON EC2V 8BT, ENGLAND  
TELEPHONE: 1-606-1421  
TELEX: 8814901  
RAPIFAX/INFOTEC:  
1-606-1425

RALPH L. MCAFEE  
ALLEN F. MAULSBY  
STEWART R. BROSS, JR.  
HENRY P. RIORDAN  
JOHN R. HUPPER  
SAMUEL C. BUTLER  
WILLIAM J. SCHRENK, JR.  
BENJAMIN F. CRANE  
JOHN F. HUNT  
GEORGE J. GILLESPIE, III  
WAYNE E. CHAPMAN  
THOMAS D. BARR  
MELVIN L. BEDRICK  
GEORGE T. LOWY  
ROBERT ROSENMAN  
JAMES H. DUFFY  
ALAN J. HRUSKA  
JOHN E. YOUNG  
JAMES M. EDWARDS  
DAVID G. ORMSBY  
DAVID L. SCHWARTZ  
RICHARD J. HIEGEL  
CHRISTINE BESHAR  
ROBERT S. RIFKIND  
DAVID BOIES  
DAVID O. BROWNWOOD  
PAUL M. DODYK  
RICHARD M. ALLEN  
THOMAS R. BROME  
ROBERT D. JOFFE

ROBERT F. MULLEN  
ALLEN FINKELSON  
RONALD S. ROLFE  
JOSEPH R. SAHID  
PAUL C. SAUNDERS  
MARTIN L. SENZEL  
DOUGLAS D. BROADWATER  
ALAN C. STEPHENSON  
RICHARD L. HOFFMAN  
JOSEPH A. MULLINS  
MAX R. SHULMAN  
WILLIAM P. DICKEY  
STUART W. GOLD  
JOHN W. WHITE  
JOHN E. BEERBOWER  
EVAN R. CHESLER  
PATRICIA GEOGHEGAN  
D. COLLIER KIRKHAM  
MICHAEL L. SCHLER  
DANIEL P. CUNNINGHAM  
KRIS F. HEINZELMAN  
B. ROBBINS KIESSLING  
ROGER D. TURNER  
PHILIP A. GELSTON  
RORY O. MILLSON  
NEIL P. WESTREICH  
FRANCIS P. BARRON  
RICHARD W. CLARY  
WILLIAM P. ROGERS, JR.

6-100A034

No.

Date APR 10 1986

RECORDATION NO. 12645-C Filed 1425

Fee \$ 20.00 APR 10 1986 - 12 40 PM

ICC Washington, D.C.

INTERSTATE COMMERCE COMMISSION

\$20.00 filing fee

April 10, 1986

Lease Amendment Dated as of March 15, 1986  
Amending Lease of Railroad Equipment  
Filed Under Recordation No. 12645

Dear Mr. Bayne:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Borden, Inc. for filing and recordation counterparts of the following documents:

Thank these will see

12645-B

Lease Amendment dated as of March 15, 1986, between Borden, Inc., as Lessee, and Exchange National Bank of Chicago, as Trustee.

12645-C

Assignment of Lease and Agreement dated as of March 15, 1986, by and between Exchange National Bank of Chicago, as Trustee, and The Mutual Life Insurance Company of New York, as Assignee.

The Lease Amendment amends a Lease of Railroad Equipment dated as of September 15, 1980, previously filed and recorded with the Interstate Commerce Commission on December 23, 1980, at 2:50 p.m., Recordation No. 12645 and an Amendment No. 1 dated as of September 15, 1980, previously filed and recorded with the Interstate Commerce Commission on March 13, 1981, at 11:05 a.m., Recordation No. 12645-A.

*Complied - Paul Cook*

APR 10 12 34 PM '86

The Lease Amendment amends the Lease of Railroad Equipment to refinance the Lease with debt.

Please file and record the Lease Amendment and the Assignment of Lease and Agreement submitted with this letter and assign it Recordation Numbers 12645-B and 12645-C, respectively.

Enclosed is a check for \$20 payable to the Interstate Commerce Commission for the recordation fee for the Agreements.

Please stamp all counterparts of the enclosed Agreements with your official recording stamp. You will wish to retain one copy of each instrument and this transmittal letter for your files. It is requested that the remaining counterparts of each Agreement be delivered to the bearer of this letter.

Very truly yours,

*Laurance V. Goodrich*  
Laurance V. Goodrich  
as Agent for  
Borden, Inc.

Mr. James H. Bayne, Secretary,  
Interstate Commerce Commission,  
Washington, D.C. 20423.

Encls.

APR 10 1986 12 40 PM [CS&amp;M Ref. 6197-003D)

## INTERSTATE COMMERCE COMMISSION

LEASE AMENDMENT dated as of March 15, 1986, between BORDEN, INC. (the "Lessee") and EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee (the "Lessor or the "Trustee") under a Trust Agreement dated as of September 15, 1980 (the "Trust Agreement") with THE BANK OF NEW YORK (the "Owner").

WHEREAS the Trustee and the Lessee have entered into a Lease of Railroad Equipment dated as of September 1, 1980 (the "Lease").

WHEREAS the Lease was filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on December 23, 1980, at 2:50 p.m., and was assigned recordation number 12645;

WHEREAS the Lease was amended by an Amendment No. 1 dated as of September 15, 1980 (the Lease as so amended being called the "Lease") and Amendment No. 1 was filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on March 13, 1981, at 11:05 a.m. and was assigned recordation number 12645-A.

WHEREAS capitalized terms not otherwise defined herein are used herein with the meanings defined in the Lease;

WHEREAS the Lessee, the Owner, the Trustee and The Mutual Life Insurance Company of New York (for itself and for a separate account) and MONY Pension Insurance Corporation (together with their successors and assigns, the "Note Purchasers") will enter into a Note Purchase Agreement dated as of the date hereof (the "Note Purchase Agreement") pursuant to which the Note Purchasers will purchase Notes (as defined in the Note Purchase Agreement) the proceeds of which will be paid to the Owner.

WHEREAS as security for the due and punctual payment of the principal of, premium, if any, and interest on the Notes and the performance and observance by the Trustee, the Lessee and the Owner of all their respective covenants for the benefit of the Note Purchasers contained in the Note Purchase Agreement, in the Security Agreement referred to below and in the Lease, the Trustee will enter into a Security Agreement with The Mutual Life Insurance

Company of New York (the "Secured Party", acting as such for itself as Note Purchaser, for a separate account and for the other Note Purchaser), dated as of the date hereof, substantially in the form of Annex IV to the Note Purchase Agreement ("Security Agreement") and an Assignment of Lease and Agreement, dated as of the date hereof, substantially in the form of Annex V to the Note Purchase Agreement ("Lease Assignment"). The Lessee will execute and deliver the Consent and Agreement ("Consent") substantially in the form attached to the Lease Assignment. Pursuant to the Security Agreement, the Secured Party will be granted a valid security interest in the Units. Pursuant to the Lease Assignment, the Trustee will assign to the Secured Party for security purposes certain of its rights under the Lease.

WHEREAS the execution and delivery of this Amendment Agreement is required for the consummation of the transactions contemplated by the Note Purchase Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

1. From and after April 10, 1986 (the "Settlement Date"), the Lease shall be amended as follows:

(i) Section 3.1 of the Lease shall read as follows:

"3.1. Amount and Date of Payment. The Lessee agrees to pay to the Trustee, as rental for each Unit subject to this Lease: (a) one interim rental payment on July 1, 1981, ("Interim Payment Date"), (b) thereafter 9 consecutive semi-annual payments, in arrears, commencing January 1, 1982 and ending on January 1, 1986, and (c) thereafter 31 consecutive semiannual payments, in arrears, commencing on July 1, 1986 and on each succeeding January 1 and July 1. The interim rental payment in respect of each Unit subject to this Lease shall be in an amount equal to .03178% of the Purchase Price (i.e. \$55,905.25) of such Unit for each day elapsed from and including the Closing Date (as defined in the Sales Agreement ("SA")) with respect to such Unit to, but not including, the date on which such payment is made. The first 9 semi-annual rentals payments in respect of each Unit subject to this Lease shall each be in an amount equal to 5.721% of the Purchase Price of such Unit and the remaining 31 semi-annual rental payments in respect to each Unit subject to this Lease shall be

in an amount equal to 5.81608449% of the Purchase Price of such Unit.

"Notwithstanding anything to the contrary set forth herein, the rentals, the Casualty Values and the Termination Values (set forth in Appendix B hereto) shall at all times be sufficient to satisfy the obligations of the Lessor under the Note Purchase Agreement and the Notes."

(ii) Section 3.3 of the Lease shall read as follows:

"3.3. Instructions to Pay Second Party and Trustee. Upon execution and delivery of the Lease Assignment and until the Secured Party shall have advised the Lessee in writing that all sums due from the Lessor under the Note Purchase Agreement and the Notes have been fully satisfied and discharged, the Lessor irrevocably instructs the Lessee to make all the payments provided for in this Lease by transfer of immediately available funds directly to the Note Purchasers by 11:00 a.m., New York time, on the dates such payments are due, by the method and at the place, of payment specified in Schedule I to the Note Purchase Agreement, each such payment to be accompanied by sufficient information to identify the source of payment of such funds (or by such other method or at such other place of payment as may be furnished in writing to the Lessee by The Mutual Life Insurance Company of New York). If the Lease Assignment is not executed and delivered, or if the Lessee shall have been advised by the Secured Party in writing that all sums due from the Trustee under the Note Purchase Agreement and the Notes have been fully discharged and satisfied, payments thereafter due shall be made to the Trustee in immediately available funds in the manner provided in the next sentence. The Lessee agrees to make each payment provided for herein as contemplated by § 3.1 hereof in immediately available funds at or prior to 11:00 a.m. at the place where such payment is to be made."

(iii) Sections 3A and 3B of the Lease shall not be applicable.

(iv) The first paragraph of Section 4 is numbered "4.1" and the following new Section 4.2 shall be applicable:

"4.2. Rights and Obligations of Lessee Subject to Security Agreement. Notwithstanding anything to the contrary contained herein, all rights and obligations of the

Lessee under this Lease and in and to the Units are subject to the rights of the Secured Party under the Security Agreement; and if an event of default should occur under the Security Agreement, the Secured Party may terminate this Lease or rescind its termination, all as provided therein; provided, however, that so long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Secured Party is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, this Lease may not be terminated and the Lessee shall be entitled to the rights of possession, use and assignment under Section 15 hereof."

(v) In Section 6, the Note Purchasers shall be included in the definition of Indemnified Persons.

(vi) In Section 7.1, the percentage appearing in the second and third paragraphs shall be 23%".

(vii) Section 7.4 shall read as follows:

"7.4. Amount of Casualty Value. The Casualty value of each Unit as of the Casualty Payment Date on which payment is to be made as aforesaid shall be an amount equal to that percentage of the Purchase Price of such Unit as is set forth in Appendix B hereto opposite the Casualty Payment Date next succeeding the actual date of such Casualty Occurrence."

(viii) In Section 7.6(1), the fourth fifth, sixth and seventh sentences shall read as follows:

"The Lessee will carry all insurance required herein in such amounts, for such risks, with such deductibles and with such insurance companies, as is satisfactory to the Trustee and the Secured Party and in any event consistent with prudent industry practice and at least comparable in amounts and against risks customarily insured against by the Lessee in respect of equipment owned or leased by it similar in nature to the Units. The proceeds of any such insurance shall be payable to the Trustee and the Secured Party and, so long as no Event of Default exists and is continuing hereunder, the Lessee, as their respective interests may appear. Any policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior written notice of cancellation or material change in coverage to the Trustee and the Secured Party, (ii) name the Trustee, the Owner and the Secured Party as additional named

insureds and as loss payees as their respective interests may appear and (iii) waive any right to claim any premiums or commissions against the Trustee, the Owner or the Secured Party. Such policies of such insurance shall contain breach of warranty provisions, and shall provide that, in respect of the interests of the Trustee, the Owner and the Secured Party in such policies, such insurance shall not require contributions from other policies held by the Trustee, the Owner or the Secured Party and shall not be invalidated by any action or inaction of the Lessee or any other person (other than the Trustee, the Owner or the Secured Party, respectively) and shall insure the Trustee, the Owner and the Secured Party regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Lessee or by any other person (other than the Trustee, the Owner, or the Secured Party, respectively). Prior to the first date of delivery of any Unit pursuant to the SA, and thereafter not less than 30 days prior to the expiration dates of the expiring policies theretofore delivered pursuant to this Section 7, the Lessee shall deliver to the Trustee and the Secured Party certificates issued by the insurer(s) for the insurance maintained pursuant to this Section 7; provided, however, that if the delivery of any certificate is delayed, the Lessee shall deliver an executed binder with respect thereto and shall deliver the certificate upon receipt thereof."

(ix) In Section 8, the Secured Party shall be named therein and shall have the same rights as the Trustee.

(x) In, Sections 10.1 and 10.2 the Secured Party shall be named therein and shall be entitled to benefits thereof.

(xi) In Section 12.1 the Note Purchasers shall be included in the definitions of Indemnified Persons.

(xii) In Section 13.1(C) after the words "contained herein", add ", in the Note Purchase Agreement, the Consent".

(xiii) In Section 13.1(D) after the words "herein, in", add "the Note Purchase Agreement or".

(xiv) In Section 13.1(E) delete the first nineteen words, and after the words "under this Lease", add", the Consent and the Indemnity Agreement".

(xv) In Section 13.1(F) after the words "of the Lessee hereunder", add "or under the Consent or under the Indemnity Agreement".

(xvi) In Section 13.4, the Secured Party shall be named and shall have the same rights therein as the Trustee.

(xvii) In Section 14.1(b), the phrase "for a period not to exceed 150 days" shall be deleted.

(xviii) At the end of Section 15.1, the following shall be added: "The Lessee hereby acknowledges the assignment of this Lease pursuant to the Lease Assignment."

(xix) Section 15.2 shall read as follows:

"15.2 Lessee's Rights to Use the Units. (1) So long as no Event of Default exists hereunder, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease and the Security Agreement subject to Section 4.2 of this Lease. The Lessee shall not assign or transfer its leasehold interest under this Lease in the Units or any of them without the prior written consent of the Trustee and the Secured Party, except as provided in paragraph (2) of this Section 15.2; and the Lessee shall not part with the possession or control of, or allow to pass out of its possession or control, any of the Units without the prior written consent of the Trustee and the Secured Party, except as provided in said paragraph (2). The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which if unpaid might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Trustee or the Secured Party or resulting from claims against the Trustee or the Secured Party not related to the ownership of the Units or the transactions contemplated by this Lease and the documents referred to in the recitals hereof) upon or with respect to any Unit, including any Accession thereto or the interest of the Trustee, the Secured Party or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises.

"(2) So long as no Event of Default exists hereunder, the Lessee shall be entitled to the possession and use of the Units by it or any Affiliate upon lines of railroad owned or operated by it or any such Affiliate or

upon lines of railroad over which the Lessee or any such Affiliate has trackage or other operating rights or over which any of their railroad equipment is regularly operated pursuant to contract and shall be entitled to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements and to sublease the Units, but only upon and subject to all the terms and conditions of this Lease and the Security Agreement; provided, however, that the Lessee shall not assign, sublease or use or permit the assignment, sublease or use of any Unit outside the United States other than on a temporary run-through basis unless filings in form and substance reasonably satisfactory to the Lessor and the Secured Party are made to protect the interest of the Lessor hereunder. The Lessee may receive and retain compensation for the use of any of the Units from railroads or other entities so using such Units. Any sublease permitted by this paragraph shall be expressly subordinate to the rights and remedies of the Secured Party under the Security Agreement and the Trustee under this Lease in respect of the Units covered by such sublease and such subordination shall be in form and substance satisfactory to the Trustee and the Secured Party.

"(3) So long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Secured Party is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, the Lessee may quietly have, hold and enjoy the Units free and clear from repossession or disturbance by the Lessor or its officers, agents, employees or servants or by anyone (including the Secured Party and the Note Purchasers) claiming by, through or under the Lessor.

"(4) The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Lessor or the Secured Party or resulting from claims against the Lessor or the Secured Party not related to the ownership of the Units) upon or with respect to any Unit (including any accessions thereto) or the interest of the Lessor, the Secured Party or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises."

(xx) In Section 18, the Secured Party shall be named and shall have the same rights as the Trustee therein.

(xxi) In Section 21, the last sentence shall read: "Copies of each such notice shall be given to the Secured Party at its address set forth in the Security Agreement".

(xxii) Section 24 shall read as follows:

"Nothing in this Lease shall be deemed to create any right in any person not a party hereto (other than NACC, the Owner or the Secured Party and the permitted successors and assigns of a party), and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of a third party, except as aforesaid."

(xxiii) In the proviso to the first paragraph of Section 30, after the words "prior to" there shall be deleted the words "the last Closing Date under the SA" and there shall be substituted therefor "July 1, 1992".

(xxiv) In the third paragraph of Section 30, there shall be added at the end of the first sentence thereof the following:

"and the Trustee shall pay to the Secured Party on the Termination Date all amounts due the Secured Party under § 4(b) of the Security Agreement."

(xxv) Appendix B to the Lease shall be changed to read as set forth in Appendix B attached hereto.

2. The Lessee will promptly cause this Amendment Agreement to be filed in accordance with the provisions of Section 18 of the Lease.

3. Except as amended hereby the Lease shall remain unaltered and in full force and effect.

4. The terms of this Amendment Agreement and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Ohio; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

5. This Lease Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by all the parties so long as each party shall deliver a counterpart signed by it to Cravath, Swaine & Moore, special counsel for the Agent.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate seals, duly attested, to be hereunto affixed as of the day and year first above written.

[Seal]

BORDEN, INC.,

Attest:

Robert J. Butch  
Assistant Secretary

by

J. Doza  
Senior Vice President and  
Chief Financial Officer

[Seal]

EXCHANGE NATIONAL BANK OF  
CHICAGO, not in its individual  
capacity but solely as trustee  
as aforesaid,

Attest:

Assistant Trust Officer

by

Vice President



APPENDIX B TO THE LEASE

Casualty and Termination Values

<u>Casualty Dates</u>	<u>Percentage of Purchase Price</u>
7/1/81	107.4719
1/1/82	110.8128
7/1/82	113.9138
1/1/83	116.7552
7/1/83	119.3514
1/1/84	121.7150
7/1/84	123.8542
1/1/85	125.7895
7/1/85	127.5161
1/1/86	129.0456
7/1/86	128.7322
1/1/87	126.9201
7/1/87	124.9309
1/1/88	122.7559
7/1/88	120.4568
1/1/89	118.0342
7/1/89	115.4815
1/1/90	112.7917
7/1/90	109.9575
1/1/91	106.9712
7/1/91	103.8245
1/1/92	100.5221
7/1/92	97.1333
1/1/93	93.6754
7/1/93	90.1361
1/1/94	86.5318
7/1/94	82.8454
1/1/95	79.0918
7/1/95	75.2533
1/1/96	71.3453
7/1/96	67.3495
1/1/97	63.2820
7/1/97	59.1238
1/1/98	54.8918
7/1/98	50.5660
1/1/99	46.1641
7/1/99	41.6655
1/1/00	37.0888
7/1/00	32.4128
1/1/01	27.6663
7/1/01	23.0000

LEASE AMENDMENT dated as of March 15, 1986, between BORDEN, INC. (the "Lessee") and EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee (the "Lessor or the "Trustee") under a Trust Agreement dated as of September 15, 1980 (the "Trust Agreement") with THE BANK OF NEW YORK (the "Owner").

WHEREAS the Trustee and the Lessee have entered into a Lease of Railroad Equipment dated as of September 1, 1980 (the "Lease").

WHEREAS the Lease was filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on December 23, 1980, at 2:50 p.m., and was assigned recordation number 12645;

WHEREAS the Lease was amended by an Amendment No. 1 dated as of September 15, 1980 (the Lease as so amended being called the "Lease") and Amendment No. 1 was filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on March 13, 1981, at 11:05 a.m. and was assigned recordation number 12645-A.

WHEREAS capitalized terms not otherwise defined herein are used herein with the meanings defined in the Lease;

WHEREAS the Lessee, the Owner, the Trustee and The Mutual Life Insurance Company of New York (for itself and for a separate account) and MONY Pension Insurance Corporation (together with their successors and assigns, the "Note Purchasers") will enter into a Note Purchase Agreement dated as of the date hereof (the "Note Purchase Agreement") pursuant to which the Note Purchasers will purchase Notes (as defined in the Note Purchase Agreement) the proceeds of which will be paid to the Owner.

WHEREAS as security for the due and punctual payment of the principal of, premium, if any, and interest on the Notes and the performance and observance by the Trustee, the Lessee and the Owner of all their respective covenants for the benefit of the Note Purchasers contained in the Note Purchase Agreement, in the Security Agreement referred to below and in the Lease, the Trustee will enter into a Security Agreement with The Mutual Life Insurance

Company of New York (the "Secured Party", acting as such for itself as Note Purchaser, for a separate account and for the other Note Purchaser), dated as of the date hereof, substantially in the form of Annex IV to the Note Purchase Agreement ("Security Agreement") and an Assignment of Lease and Agreement, dated as of the date hereof, substantially in the form of Annex V to the Note Purchase Agreement ("Lease Assignment"). The Lessee will execute and deliver the Consent and Agreement ("Consent") substantially in the form attached to the Lease Assignment. Pursuant to the Security Agreement, the Secured Party will be granted a valid security interest in the Units. Pursuant to the Lease Assignment, the Trustee will assign to the Secured Party for security purposes certain of its rights under the Lease.

WHEREAS the execution and delivery of this Amendment Agreement is required for the consummation of the transactions contemplated by the Note Purchase Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

1. From and after April 10, 1986 (the "Settlement Date"), the Lease shall be amended as follows:

(i) Section 3.1 of the Lease shall read as follows:

"3.1. Amount and Date of Payment. The Lessee agrees to pay to the Trustee, as rental for each Unit subject to this Lease: (a) one interim rental payment on July 1, 1981, ("Interim Payment Date"), (b) thereafter 9 consecutive semi-annual payments, in arrears, commencing January 1, 1982 and ending on January 1, 1986, and (c) thereafter 31 consecutive semiannual payments, in arrears, commencing on July 1, 1986 and on each succeeding January 1 and July 1. The interim rental payment in respect of each Unit subject to this Lease shall be in an amount equal to .03178% of the Purchase Price (i.e. \$55,905.25) of such Unit for each day elapsed from and including the Closing Date (as defined in the Sales Agreement ("SA")) with respect to such Unit to, but not including, the date on which such payment is made. The first 9 semi-annual rentals payments in respect of each Unit subject to this Lease shall each be in an amount equal to 5.721% of the Purchase Price of such Unit and the remaining 31 semi-annual rental payments in respect to each Unit subject to this Lease shall be

in an amount equal to 5.81608449% of the Purchase Price of such Unit.

"Notwithstanding anything to the contrary set forth herein, the rentals, the Casualty Values and the Termination Values (set forth in Appendix B hereto) shall at all times be sufficient to satisfy the obligations of the Lessor under the Note Purchase Agreement and the Notes."

(ii) Section 3.3 of the Lease shall read as follows:

"3.3. Instructions to Pay Second Party and Trustee. Upon execution and delivery of the Lease Assignment and until the Secured Party shall have advised the Lessee in writing that all sums due from the Lessor under the Note Purchase Agreement and the Notes have been fully satisfied and discharged, the Lessor irrevocably instructs the Lessee to make all the payments provided for in this Lease by transfer of immediately available funds directly to the Note Purchasers by 11:00 a.m., New York time, on the dates such payments are due, by the method and at the place, of payment specified in Schedule I to the Note Purchase Agreement, each such payment to be accompanied by sufficient information to identify the source of payment of such funds (or by such other method or at such other place of payment as may be furnished in writing to the Lessee by The Mutual Life Insurance Company of New York). If the Lease Assignment is not executed and delivered, or if the Lessee shall have been advised by the Secured Party in writing that all sums due from the Trustee under the Note Purchase Agreement and the Notes have been fully discharged and satisfied, payments thereafter due shall be made to the Trustee in immediately available funds in the manner provided in the next sentence. The Lessee agrees to make each payment provided for herein as contemplated by § 3.1 hereof in immediately available funds at or prior to 11:00 a.m. at the place where such payment is to be made."

(iii) Sections 3A and 3B of the Lease shall not be applicable.

(iv) The first paragraph of Section 4 is numbered "4.1" and the following new Section 4.2 shall be applicable:

"4.2. Rights and Obligations of Lessee Subject to Security Agreement. Notwithstanding anything to the contrary contained herein, all rights and obligations of the

Lessee under this Lease and in and to the Units are subject to the rights of the Secured Party under the Security Agreement; and if an event of default should occur under the Security Agreement, the Secured Party may terminate this Lease or rescind its termination, all as provided therein; provided, however, that so long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Secured Party is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, this Lease may not be terminated and the Lessee shall be entitled to the rights of possession, use and assignment under Section 15 hereof."

(v) In Section 6, the Note Purchasers shall be included in the definition of Indemnified Persons.

(vi) In Section 7.1, the percentage appearing in the second and third paragraphs shall be 23%".

(vii) Section 7.4 shall read as follows:

"7.4. Amount of Casualty Value. The Casualty value of each Unit as of the Casualty Payment Date on which payment is to be made as aforesaid shall be an amount equal to that percentage of the Purchase Price of such Unit as is set forth in Appendix B hereto opposite the Casualty Payment Date next succeeding the actual date of such Casualty Occurrence."

(viii) In Section 7.6(1), the fourth fifth, sixth and seventh sentences shall read as follows:

"The Lessee will carry all insurance required herein in such amounts, for such risks, with such deductibles and with such insurance companies, as is satisfactory to the Trustee and the Secured Party and in any event consistent with prudent industry practice and at least comparable in amounts and against risks customarily insured against by the Lessee in respect of equipment owned or leased by it similar in nature to the Units. The proceeds of any such insurance shall be payable to the Trustee and the Secured Party and, so long as no Event of Default exists and is continuing hereunder, the Lessee, as their respective interests may appear. Any policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior written notice of cancellation or material change in coverage to the Trustee and the Secured Party, (ii) name the Trustee, the Owner and the Secured Party as additional named

insureds and as loss payees as their respective interests may appear and (iii) waive any right to claim any premiums or commissions against the Trustee, the Owner or the Secured Party. Such policies of such insurance shall contain breach of warranty provisions, and shall provide that, in respect of the interests of the Trustee, the Owner and the Secured Party in such policies, such insurance shall not require contributions from other policies held by the Trustee, the Owner or the Secured Party and shall not be invalidated by any action or inaction of the Lessee or any other person (other than the Trustee, the Owner or the Secured Party, respectively) and shall insure the Trustee, the Owner and the Secured Party regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Lessee or by any other person (other than the Trustee, the Owner, or the Secured Party, respectively). Prior to the first date of delivery of any Unit pursuant to the SA, and thereafter not less than 30 days prior to the expiration dates of the expiring policies theretofore delivered pursuant to this Section 7, the Lessee shall deliver to the Trustee and the Secured Party certificates issued by the insurer(s) for the insurance maintained pursuant to this Section 7; provided, however, that if the delivery of any certificate is delayed, the Lessee shall deliver an executed binder with respect thereto and shall deliver the certificate upon receipt thereof."

(ix) In Section 8, the Secured Party shall be named therein and shall have the same rights as the Trustee.

(x) In, Sections 10.1 and 10.2 the Secured Party shall be named therein and shall be entitled to benefits thereof.

(xi) In Section 12.1 the Note Purchasers shall be included in the definitions of Indemnified Persons.

(xii) In Section 13.1(C) after the words "contained herein", add ", in the Note Purchase Agreement, the Consent".

(xiii) In Section 13.1(D) after the words "herein, in", add "the Note Purchase Agreement or".

(xiv) In Section 13.1(E) delete the first nineteen words, and after the words "under this Lease", add", the Consent and the Indemnity Agreement".

(xv) In Section 13.1(F) after the words "of the Lessee hereunder", add "or under the Consent or under the Indemnity Agreement".

(xvi) In Section 13.4, the Secured Party shall be named and shall have the same rights therein as the Trustee.

(xvii) In Section 14.1(b), the phrase "for a period not to exceed 150 days" shall be deleted.

(xviii) At the end of Section 15.1, the following shall be added: "The Lessee hereby acknowledges the assignment of this Lease pursuant to the Lease Assignment."

(xix) Section 15.2 shall read as follows:

"15.2 Lessee's Rights to Use the Units. (1) So long as no Event of Default exists hereunder, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease and the Security Agreement subject to Section 4.2 of this Lease. The Lessee shall not assign or transfer its leasehold interest under this Lease in the Units or any of them without the prior written consent of the Trustee and the Secured Party, except as provided in paragraph (2) of this Section 15.2; and the Lessee shall not part with the possession or control of, or allow to pass out of its possession or control, any of the Units without the prior written consent of the Trustee and the Secured Party, except as provided in said paragraph (2). The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which if unpaid might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Trustee or the Secured Party or resulting from claims against the Trustee or the Secured Party not related to the ownership of the Units or the transactions contemplated by this Lease and the documents referred to in the recitals hereof) upon or with respect to any Unit, including any Accession thereto or the interest of the Trustee, the Secured Party or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises.

"(2) So long as no Event of Default exists hereunder, the Lessee shall be entitled to the possession and use of the Units by it or any Affiliate upon lines of railroad owned or operated by it or any such Affiliate or

upon lines of railroad over which the Lessee or any such Affiliate has trackage or other operating rights or over which any of their railroad equipment is regularly operated pursuant to contract and shall be entitled to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements and to sublease the Units, but only upon and subject to all the terms and conditions of this Lease and the Security Agreement; provided, however, that the Lessee shall not assign, sublease or use or permit the assignment, sublease or use of any Unit outside the United States other than on a temporary run-through basis unless filings in form and substance reasonably satisfactory to the Lessor and the Secured Party are made to protect the interest of the Lessor hereunder. The Lessee may receive and retain compensation for the use of any of the Units from railroads or other entities so using such Units. Any sublease permitted by this paragraph shall be expressly subordinate to the rights and remedies of the Secured Party under the Security Agreement and the Trustee under this Lease in respect of the Units covered by such sublease and such subordination shall be in form and substance satisfactory to the Trustee and the Secured Party.

"(3) So long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Secured Party is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, the Lessee may quietly have, hold and enjoy the Units free and clear from repossession or disturbance by the Lessor or its officers, agents, employees or servants or by anyone (including the Secured Party and the Note Purchasers) claiming by, through or under the Lessor.

"(4) The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Lessor or the Secured Party or resulting from claims against the Lessor or the Secured Party not related to the ownership of the Units) upon or with respect to any Unit (including any accessions thereto) or the interest of the Lessor, the Secured Party or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises."

(xx) In Section 18, the Secured Party shall be named and shall have the same rights as the Trustee therein.

(xxi) In Section 21, the last sentence shall read: "Copies of each such notice shall be given to the Secured Party at its address set forth in the Security Agreement".

(xxii) Section 24 shall read as follows:

"Nothing in this Lease shall be deemed to create any right in any person not a party hereto (other than NACC, the Owner or the Secured Party and the permitted successors and assigns of a party), and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of a third party, except as aforesaid."

(xxiii) In the provisio to the first paragraph of Section 30, after the words "prior to" there shall be deleted the words "the last Closing Date under the SA" and there shall be substituted therefor "July 1, 1992".

(xxiv) In the third paragraph of Section 30, there shall be added at the end of the first sentence thereof the following:

"and the Trustee shall pay to the Secured Party on the Termination Date all amounts due the Secured Party under § 4(b) of the Security Agreement."

(xxv) Appendix B to the Lease shall be changed to read as set forth in Appendix B attached hereto.

2. The Lessee will promptly cause this Amendment Agreement to be filed in accordance with the provisions of Section 18 of the Lease.

3. Except as amended hereby the Lease shall remain unaltered and in full force and effect.

4. The terms of this Amendment Agreement and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Ohio; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

5. This Lease Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by all the parties so long as each party shall deliver a counterpart signed by it to Cravath, Swaine & Moore, special counsel for the Agent.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate seals, duly attested, to be hereunto affixed as of the day and year first above written.

[Seal]

BORDEN, INC.,

Attest:

by

Assistant Secretary

Senior Vice President and  
Chief Financial Officer

[Seal]

EXCHANGE NATIONAL BANK OF  
CHICAGO, not in its individual  
capacity but solely as trustee  
as aforesaid,

Attest:

Ida Colanese  
Assistant Trust Officer

by

First Vice President

STATE OF OHIO,            )  
                                  ) ss.:  
COUNTY OF FRANKLIN,)

On this            day of April 1986, before me personally appeared L. A. Doza, to me personally known, who being by me duly sworn, says that he is the Vice President and Chief Financial Officer of BORDEN, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, and 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.

\_\_\_\_\_  
Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS, )  
                                  ) ss.:  
CITY OF COOK,            )

On this *8<sup>TH</sup>* day of April 1986, before me personally appeared Michael D. Goodman, to me personally known, who being by me duly sworn, says that he is a <sup>FIRST</sup> Vice President of EXCHANGE NATIONAL BANK OF CHICAGO, that one of the seals affixed to the foregoing instrument is the corporate seal of said bank, and that said instrument was signed and sealed on behalf of said bank 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 bank.

*M. Wolf*  
\_\_\_\_\_  
Notary Public

[Notarial Seal]

My Commission expires *7-22-86*

APPENDIX B TO THE LEASE

Casualty and Termination Values

<u>Casualty Dates</u>	<u>Percentage of Purchase Price</u>
7/1/81	107.4719
1/1/82	110.8128
7/1/82	113.9138
1/1/83	116.7552
7/1/83	119.3514
1/1/84	121.7150
7/1/84	123.8542
1/1/85	125.7895
7/1/85	127.5161
1/1/86	129.0456
7/1/86	128.7322
1/1/87	126.9201
7/1/87	124.9309
1/1/88	122.7559
7/1/88	120.4568
1/1/89	118.0342
7/1/89	115.4815
1/1/90	112.7917
7/1/90	109.9575
1/1/91	106.9712
7/1/91	103.8245
1/1/92	100.5221
7/1/92	97.1333
1/1/93	93.6754
7/1/93	90.1361
1/1/94	86.5318
7/1/94	82.8454
1/1/95	79.0918
7/1/95	75.2533
1/1/96	71.3453
7/1/96	67.3495
1/1/97	63.2820
7/1/97	59.1238
1/1/98	54.8918
7/1/98	50.5660
1/1/99	46.1641
7/1/99	41.6655
1/1/00	37.0888
7/1/00	32.4128
1/1/01	27.6663
7/1/01	23.0000