

101 Park Avenue
New York, NY 10178-0060
212-309-6000
Fax 212-309-6273

Morgan, Lewis
& Bockius LLP
C O U N S E L O R S A T L A W

20271-13
OCT 18 1996 2 PM

RECEIVED
SURFACE TRANSPORTATION
BOARD

OCT 18 2 11 PM '96

October 18, 1996

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

Re: Quantum Chemical Corporation -
Railcar Lease Supplement No. 2

Dear Mr. Williams:

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

This document is a lease supplement, a primary document, dated as of October 15, 1996.

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

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

Lessee: Quantum Chemical Corporation
11500 Northlake Drive
Cincinnati, Ohio 45249

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

100 5851 CF covered hopper cars having quadruple hoppers, stub center sill and pneumatic discharge outlets (the "Equipment"). The hopper cars, which are designed in accordance with AAR Standard S-259-94, have a capacity of 5,851 cubic feet. The cars will have an identifying mark that reads "QCCX".

Country Parts

Vernon A. Williams
October 18, 1996
Page 2

A fee of \$22 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to:

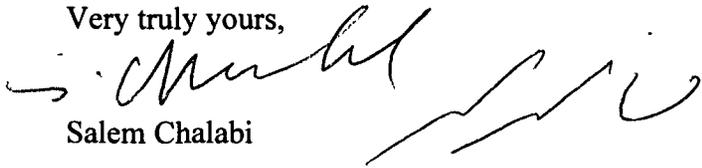
Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, New York 10178
Attention: Ian Shrank, Esq.

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

Lease Supplement No.2, dated as of October 15, 1996 (the "Lease Supplement"), to that certain Purchase and Master Lease Agreement, dated as of September 13, 1996 (the "Lease"), by and between Sumitomo Bank Leasing and Finance, Inc., as Lessor, and Quantum Chemical Corporation, as Lessee, covering 100 5851 CF covered hopper cars, and (i) all contracts relating to the purchase, operation and maintenance of the Equipment, including all warranties, (ii) any rebate (excluding sales or use tax refunds to Lessee), offset or other similar rights under a purchase order, invoice or purchase agreement with any manufacturer or vendor of any Equipment to the extent such rebate relates to the Equipment, (iii) all books, manuals, logs, records, writings, data bases, information and other property (x) relating solely to, used or useful solely in connection with, or evidencing, embodying or incorporation any of the foregoing or (y) which include the maintenance or alteration records of the Equipment, and (iv) all accessions to and proceeds of and from any and all of the foregoing Equipment (including proceeds which constitute property of the types described in clauses (i), (ii) and (iii) above) and, to the extent not otherwise included, all payments under insurance (whether or not the Lessor, in its capacity as Lessor or as Agent is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing, but excluding any property (and any proceeds thereof) incorporated or installed in or attached to any item of Equipment in connection with a modification, improvement and/or addition to such item of Equipment made by a Lessee as permitted by Section 10(b) of the Lease, without such property becoming Equipment for purposes of the Lease pursuant to the last sentence of Section 10(b) thereof.

If you have any questions with respect to the enclosed, please feel free to call me at (212) 309-6837.

Very truly yours,


Salem Chalabi

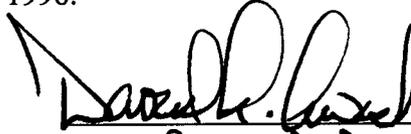
ACKNOWLEDGEMENT

I, Daoud A. Awad certify that I am the Secretary of Sumitomo Bank Leasing and Finance, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act of and deed of the corporation. I further declare under penalty of perjury that the foregoing is true and correct. Executed on October 15, 1996.


Name: Daoud A. Awad
Title: Secretary

ACKNOWLEDGEMENT

I, Daoud A. Awad certify that I am the Secretary of Sumitomo Bank Leasing and Finance, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act of and deed of the corporation. I further declare under penalty of perjury that the foregoing is true and correct. Executed on October 15, 1996.



Name: Daoud A. Awad
Title: Secretary

State of New York)
County of New York) *ss.:*

On the 16th day of October in the year 1996 before me personally came Daoud A. Awad to me known, who, being by me duly sworn, did depose and say that he resides at Four Skylark Road, Greenwich, Connecticut 06830; that he is Secretary of Sumitomo Bank Leasing and Finance, Inc., the corporation described in and which executed the above instrument; and that he signed his name thereto by order of the board of directors of said corporation.



ANDREA C WEI
Notary Public, State of New York
No 31-4992263
Qualified in New York County
Commission Expires Feb 24, 19



SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20425-0001

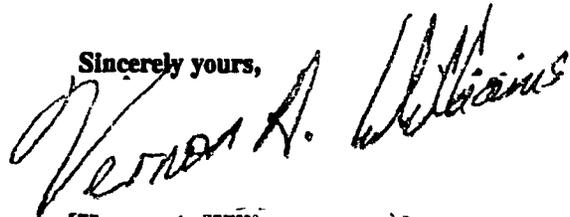
10/13/96

Salem Chalabi
Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, New York 10178-0060

Dear

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/18/96 at 2:15PM, and assigned recordation number(s). *20271-B*

Sincerely yours,



Vernon A. Williams
Secretary

Enclosure(s)

\$ 22.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



LEASE SUPPLEMENT NO. 2

20271-B
OCT 18 1996 2 PM

LEASE SUPPLEMENT, dated as of October 15, 1996, to PURCHASE AND MASTER LEASE AGREEMENT dated as of September 13, 1996 (the "Lease Agreement"), among the lessors referred to therein (the "Lessors") and Quantum Chemical Corporation ("Lessee") and Sumitomo Bank Leasing and Finance, Inc., as agent for the Lessors (in its capacity as such, the "Agent").

In consideration of the mutual agreements herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Lease Agreement.
2. The date of this Lease Supplement is October 15, 1996 (the "Closing Date") and the Lessors hereby lease to Lessee under the Lease Agreement, and the Lessee hereby leases from the Lessors under the Lease Agreement, the Items of Equipment described in Part I of Schedule 1 to this Lease Supplement and said Items of Equipment are subject to all of the covenants, terms and conditions of the Lease Agreement and this Lease Supplement.
3. The Initial Term for the Items of Equipment described in Part I of Schedule 1 to this Lease Supplement commences as of the date hereof and continues to and including September 20, 1997, unless extended or earlier terminated as provided in the Lease Agreement.
4. Lessee hereby acknowledges and confirms that it has inspected and approved the Equipment set forth on Part I of Schedule I hereto for all purposes of the Lease Agreement and the other Lease Documents and, as between the Lessors and the Lessee, such Equipment is conforming and complies with the specifications for such Equipment, is in good working order, repair, condition and appearance, and without defect therein with respect to design, manufacture, condition, operation and fitness for use or in any other respect, whether or not discoverable by Lessee as of the date hereof and are accepted for lease under the Lease Agreement as of the date specified above.
5. Lessee hereby represents and warrants that no event which would constitute an Event of Loss under the Lease Agreement has occurred with respect to the Equipment set forth on Part I of Schedule I hereto as of the date hereof. Lessee hereby reaffirms each of the representations and warranties set forth in Section 2 of the Lease Agreement as if made on the date hereof, including that the Equipment set forth on Schedule I hereto is free and clear of all Liens other than Equipment Permitted Liens.

6. The aggregate Equipment Cost for the Items of Equipment described in Part I of Schedule I to this Lease Supplement is \$6,741,800.

7. The Acquisition Cost, associated Soft Costs and location (address, county and state) for each Item of Equipment described in Schedule 1 to this Supplement are set forth on Schedule 1 to this Lease Supplement.

8. Initially, and until changed pursuant to the Lease Agreement, Base Rent will be based on the Euro-Dollar Rate.

9. UCC-1 Filings have been made as shown on Schedule 2 to this Supplement, this Supplement will be filed with the STB and the Office of the Registrar General of Canada by the next business day and Additional Base Rent for the Equipment described herein is as set forth in Schedule 3 to this Supplement.

10. Any and all notices, requests, certificates and other instruments executed and delivered concurrently with or after the execution and delivery of the Lease Supplement may refer to the "Purchase and Master Lease Agreement, dated as of September 13, 1996", or may identify the Lease Agreement in any other respect without making specific reference to this Lease Supplement, but nevertheless all such references shall be deemed to include this Lease Supplement, unless the context shall otherwise require.

11. This Lease Supplement may be executed in any number of counterparts, each executed counterpart constituting an original but all together one and the same instrument. This Lease Supplement shall be construed in connection with and as part of the Lease Agreement, and all terms, conditions and covenants contained in the Lease Agreement, as supplemented by this Lease Supplement, shall be and remain in full force and effect and shall govern the Equipment described on Part I of Schedule I hereto.

12. This Lease Supplement has been delivered in the State of New York and shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, Agent, on behalf of the Lessors, and the Lessee have caused this Lease Supplement to be executed and delivered by their duly authorized officers as of the day and year first above written.

AGENT (ON BEHALF OF
THE LESSORS):

SUMITOMO BANK LEASING AND FINANCE, INC.



By: 
Title: William M. Ginn
President

LESSEE:

Quantum Chemical Corporation

By: _____
Title: _____

Receipt of this original counterpart of this Lease Supplement is hereby acknowledged this 15th day of October, 1996:

SUMITOMO BANK LEASING
AND FINANCE, INC., as Agent

By: _____
Title: _____

IN WITNESS WHEREOF, Agent, on behalf of the Lessors, and the Lessee have caused this Lease Supplement to be executed and delivered by their duly authorized officers as of the day and year first above written.

AGENT (ON BEHALF OF THE LESSORS): SUMITOMO BANK LEASING AND FINANCE, INC.

By: _____
Title: _____

LESSEE: Quantum Chemical Corporation

By: *Christine Stubboldt*
Title: *Treasurer*

Receipt of this original counterpart of this Lease Supplement is hereby acknowledged this 15th day of October, 1996:

SUMITOMO BANK LEASING
AND FINANCE, INC., as Agent

By: _____
Title: _____

**SCHEDULE 1 TO LEASE SUPPLEMENT
(Second Closing Equipment Schedule)**

PART I - Description of Equipment

Type	Quantity	Car Number	Place of Delivery
5851 CF Covered Hopper Car	1	QCCX 2011	Bessemer, Alabama
5851 CF Covered Hopper Car	4	QCCX 2060-2063	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2065	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2074	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2078	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2098	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2102	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2104	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2108	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2112	Bessemer, Alabama
5851 CF Covered Hopper Car	12	QCCX 2114-2125	Bessemer, Alabama
5851 CF Covered Hopper Car	3	QCCX 2127-2129	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2131	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2132	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2135	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2136	Bessemer, Alabama
5851 CF Covered Hopper Car	12	QCCX 2138-2149	Bessemer, Alabama
5851 CF Covered Hopper Car	29	QCCX 2151-2179	Bessemer, Alabama
5851 CF Covered Hopper Car	3	QCCX 2181-2183	Bessemer, Alabama
5851 CF Covered Hopper Car	11	QCCX 2185-2196	Bessemer, Alabama
5851 CF Covered Hopper Car	10	QCCX 2197-2206	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2208	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2209	Bessemer, Alabama
5851 CF Covered Hopper Car	1	QCCX 2215	Bessemer, Alabama
TOTAL	100		

PART II.-Acquisition Costs, Soft Costs and Equipment Cost

<u>Car Number</u>	<u>Type</u>	<u>Payee Name and address</u>	<u>Type of Charge</u>	<u>Amount</u>
QCCX2011	Covered	Trinity Industries, Inc.	Car Cost	\$6,610,300
2060-2063	Hopper Car	Texas Commerce	(100 cars @	
2065		Bank, Houston, Tx.	\$66,103*per	
2074		Account Number	car)	
2078		08805014899		
2098		ABA Routing #		
2102		113000609		
2104				
2108		Trinity Industries, Inc.	New Car	\$ 81,500
2112		Texas Commerce	Freight (100	
2114-2125		Bank, Houston, TX	cars @ \$815	
2127-2129		Account Number	per car)	
2131		08805014899		
2132		ABA Routing #		
2135		113000609		
2136				
2138-2149				
2151-2179		Sumitomo Bank c/o	Service Fee	\$ 50,000
2181-2183		Transcisco Leasing	(100 cars @	
2185-2195		Company	\$500 per car)	
2197-2206		Account Number		
2208		017000084-70		
2209		ABA Routing #		
2215		121002042		
<u>Total 100</u>			<u>Total</u>	<u>\$6,741,800**</u>
<u>Acquisition Cost</u>				\$6,610,300
<u>Soft Costs</u>				\$ 50,000
<u>Equipment Costs</u>				\$6,741,800**

*Includes: \$65,825 per car base car cost with interior lining, \$395 per car additional exterior paint cost, and \$117 credit per car freight equalization from Bessemer, Alabama to Beaumont, Texas.

** Does not include legal and transaction fees.

SCHEDULE 2
TO
LEASE SUPPLEMENT

UCC-1 Filing Schedule

State

Place of Filing

Ohio

Secretary of State
Hamilton County

SCHEDULE 3 TO LEASE SUPPLEMENT NO. 2

Additional Base Rent

<u>Rent Payment Date</u>	<u>Additional Base Rent</u>
October 20, 1996	
November 20, 1996	22,854
December 20, 1996	22,854
January 20, 1997	22,854
February 20, 1997	22,854
March 20, 1997	22,854
April 20, 1997	22,854
May 20, 1997	22,854
June 20, 1997	22,854
July 20, 1997	22,854
August 20, 1997	22,854
September 20, 1997	22,854
October 20, 1997	22,854
November 20, 1997	22,854
December 20, 1997	22,854
January 20, 1998	22,854
February 20, 1998	22,854
March 20, 1998	22,854
April 20, 1998	22,854
May 20, 1998	22,854
June 20, 1998	22,854
July 20, 1998	22,854
August 20, 1998	22,854

<u>Rent Payment Date</u>	<u>Additional Base Rent</u>
September 20, 1998	22,854
October 20, 1996	22,854
November 20, 1998	22,854
December 20, 1998	22,854
January 20, 1999	22,854
February 20, 1999	22,854
March 20, 1999	22,854
April 20, 1999	22,854
May 20, 1999	22,854
June 20, 1999	22,854
July 20, 1999	22,854
August 20, 1999	22,854
September 20, 1999	22,854
October 20, 1999	22,854
November 20, 1999	22,854
December 20, 1999	22,854
January 20, 2000	22,854
February 20, 2000	22,854
March 20, 2000	22,854
April 20, 2000	22,854
May 20, 2000	22,854
June 20, 2000	22,854
July 20, 2000	22,854
August 20, 2000	22,854
September 20, 2000	22,854
October 20, 2000	22,854

<u>Rent Payment Date</u>	<u>Additional Base Rent</u>
November 20, 2000	22,854
December 20, 2000	22,854
January 20, 2001	22,854
February 20, 2001	22,854
March 20, 2001	22,854
April 20, 2001	22,854
May 20, 2001	22,854
June 20, 2001	22,854
July 20, 2001	22,854
August 20, 2001	22,854
September 20, 2001	22,854