

*Countersignature - Edmund J. ...*

September 27, 1996

20281

SEP 27 1996 2 08 PM '96

SEP 27 2 08 PM '96

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
Twelfth Street & Constitution Avenue, N.W.  
Washington, DC 20423

RECORDATION NO. 20281

SEP 27 1996 12 10 PM

Re: Nova Chemicals, Inc.  
Leveraged Lease Financing of Railroad Rolling Stock

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two copies of each of the two primary documents described below and the three secondary documents described below. As one of the attorneys representing the Note Purchasers in this transaction, I have knowledge of the matters described in this letter.

The primary documents are as follows:

- (1) Equipment Lease Agreement, dated as of September 27, 1996, between Fleet National Bank, as owner trustee (the "Lessor"), and Nova Chemicals Inc., as lessee (the "Lessee"); and
- (2) Trust Indenture and Security Agreement, dated as of September 27, 1996, between the Lessor and The First National Bank of Chicago, as indenture trustee (the "Indenture Trustee").

The secondary documents are as follows:

- (1) Lease Supplement No. 1, dated as of September 27, 1996, between the Lessee and the Lessor;
- (2) Indenture Supplement No. 1, dated as of September 27, 1996, between the Lessor and the Indenture Trustee; and
- (3) Bill of Sale, dated September 27, 1996, from Nova RL Inc., as seller (the "Seller") to the Lessor.

The primary documents to which the Lease Supplement No. 1, the Indenture Supplement No. 1 and the Bill of Sale are connected are the Equipment Lease Agreement

and the Trust Indenture and Security Agreement, respectively, referred to above, which are being submitted for recording concurrently therewith.

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

#### EQUIPMENT LEASE AGREEMENT

Lessee: Nova Chemicals Inc.  
690 Mechanic Street  
Leominster, Massachusetts 01453

Lessor: Fleet National Bank  
777 Main Street  
Hartford, Connecticut 06115

#### TRUST INDENTURE AND SECURITY AGREEMENT <sup>A</sup>

Lessor: Fleet National Bank  
777 Main Street  
Hartford, Connecticut 06115

Indenture Trustee: The First National Bank of Chicago  
One First National Plaza, Suite 0126  
Chicago, Illinois 60670-0126

#### LEASE SUPPLEMENT NO. 1

Lessee: Nova Chemicals Inc.  
690 Mechanic Street  
Leominster, Massachusetts 01453

Lessor: Fleet National Bank  
777 Main Street  
Hartford, Connecticut 06115

INDENTURE SUPPLEMENT NO. 1

Lessor: Fleet National Bank  
777 Main Street  
Hartford, Connecticut 06115

Indenture Trustee: The First National Bank of Chicago  
One First National Plaza, Suite 0126  
Chicago, Illinois 60670-0126

BILL OF SALE

Seller: Nova RL Inc.  
690 Mechanic Street  
Leominster, Massachusetts 01453

The description of the Equipment covered as of the date hereof by the aforesaid Equipment Lease Agreement, Trust Indenture and Security Agreement, Lease Supplement No. 1, Indenture Supplement No. 1 and Bill of Sale is as set forth on Exhibit A hereto.

A fee of one hundred ten dollars (\$110.00) is enclosed. Please time and date stamp the enclosed copy of each of the enclosed documents along with the extra copy of this letter as proof of filing and recordation of the enclosed documents and return the original and any extra copies of such documents and this letter not needed by the Board for recordation to:

David B. McMullen  
Chapman and Cutler  
111 West Monroe  
Chicago, Illinois 60603

A short summary of each of the documents to appear in the index follows:

(1) EQUIPMENT LEASE AGREEMENT:

Fleet National Bank, as Lessor, 777 Main Street, Hartford, Connecticut 06115 and Nova Chemicals Inc., as Lessee, 690 Mechanic Street, Leominster, Massachusetts 01453, dated as of September 27, 1996, covering the new railroad rolling stock bearing the road numbers listed in the Schedule thereto.

(2) TRUST INDENTURE AND SECURITY AGREEMENT:

Trust Indenture and Security Agreement between Fleet National Bank, as Lessor, 777 Main Street, Hartford, Connecticut 06115 and The First National Bank of Chicago, as Indenture Trustee, One First National Plaza, Suite 0126, Chicago, Illinois 60670-0126, dated

as of September 27, 1996, covering the obligations of the Lessor and the Lessee relating to new railroad rolling stock bearing the road numbers listed in the Schedule thereto.

(3) LEASE SUPPLEMENT NO. 1:

Lease Supplement No. 1 between Fleet National Bank, as Lessor, 777 Main Street, Hartford, Connecticut 06115 and Nova Chemicals Inc., as Lessee, 690 Mechanic Street, Leominster, Massachusetts 01453, dated as of September 27, 1996, covering new railroad rolling stock bearing the road numbers listed in the Schedule thereto. Lease Supplement No. 1 is related to the Equipment Lease Agreement between the Lessor and the Lessee dated as of September 27, 1996, which is filed concurrently herewith.

(4) INDENTURE SUPPLEMENT NO. 1:

Indenture Supplement No. 1 between Fleet National Bank, as Lessor, 777 Main Street, Hartford, Connecticut 06115 and The First National Bank of Chicago, as Indenture Trustee, One First National Plaza, Suite 0126, Chicago, Illinois 60670-0126, dated as of September 27, 1996, covering the obligations of the Lessor and the Lessee relating to new railroad rolling stock bearing road numbers listed in the Schedule thereto. The Indenture Supplement No. 1 is related to the Trust Indenture and Security Agreement between Lessor and the Indenture Trustee, dated as of September 27, 1996, which is filed concurrently herewith.

(5) BILL OF SALE:

Bill of Sale from Nova RL Inc., as Seller, 690 Mechanic Street, Leominster, Massachusetts 01453, to Fleet National Bank, as Lessor, 777 Main Street, Hartford, Connecticut 06115, dated September 27, 1996, covering new railroad rolling stock bearing the road numbers listed in the Schedule thereto. The Bill of Sale is related to the Equipment Lease Agreement and the Lease Supplement No. 1 between the Lessor and the Lessee and the Trust Indenture and Security Agreement and the Indenture Supplement No. 1 between the Lessor and the Indenture Trustee, each dated as of September 27, 1996, which are filed concurrently herewith.

If you have any questions or need further information, please do not hesitate to contact the undersigned (212-506-3511).

Sincerely,

CHAPMAN AND CUTLER

By:



David B. McMullen

## EXHIBIT A

<u>Equipment</u>	<u>Quantity</u>	<u>Road Numbers</u>
5810 Cubic Foot Covered Hopper Cars	532	NCIX000212 through NCIX000701, inclusive. NCIX000703 through NCIX000722, inclusive. NCIX000724 through NCIX000728, inclusive. NCIX000730 through NCIX000746, inclusive.

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

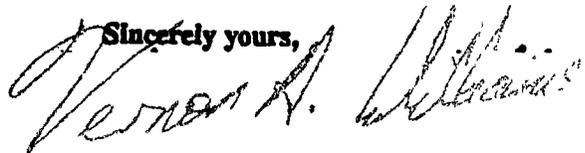
9/27/96

David B. McMullen  
Chapman And Cutler  
111 West Monroe  
Chicago, Illinois 60603

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/27/96 at 2:10PM, and assigned recordation number(s). 20281, 20281-A, 20281-B, 20281-C and 20281-D.

Sincerely yours,

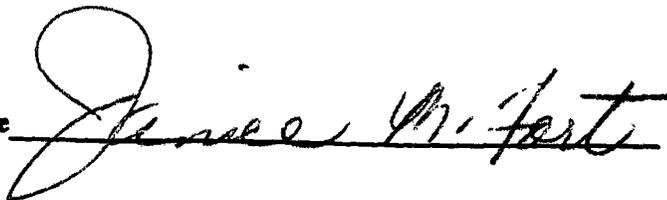


Vernon A. Williams  
Secretary

Enclosure(s)

\$110.00 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. 1

Dated as of September 27, 1996

Between

FLEET NATIONAL BANK,  
not in its individual capacity  
but solely as Owner Trustee,  
Lessor,

and

NOVA CHEMICALS INC.,  
Lessee

Railroad Equipment

---

The right, title and interest of Lessor under this Lease Supplement and certain of the Rent due and to become due under the Lease have been assigned as collateral security to and are subject to a security interest in favor of The First National Bank of Chicago, as Indenture Trustee under a Trust Indenture and Security Agreement dated as of September 27, 1996, between said Indenture Trustee, as secured party, and Lessor, as debtor. Information concerning such security interest may be obtained from Indenture Trustee at its address provided for in Section 15.2 of the Lease. As further described in Section 23.10 of the Lease, to the extent, if any, that this Lease Supplement 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 Supplement may be created through the transfer or possession of any counterpart other than Counterpart Number 1. This is not Counterpart Number 1.

---

This Lease Supplement No. 1 was filed with the Surface Transportation Board on September 27, 1996, at \_\_\_\_\_ Recordation No. \_\_\_\_\_, and deposited in the office of the Registrar General of Canada pursuant to Section 105 of the Canada Transportation Act on September 27, 1996, at \_\_\_\_\_.

20281 -B  
REGISTRATION NO. \_\_\_\_\_ FILED 1425  
SEP 27 1996 2 10 PM  
REGISTRAR GENERAL

**LEASE SUPPLEMENT NO. 1**

This **LEASE SUPPLEMENT NO. 1** dated as of September 27, 1996 between **FLEET NATIONAL BANK**, a national banking association, not in its individual capacity but solely as Owner Trustee under the Trust Agreement ("Lessor"), and **NOVA CHEMICALS INC.**, a Delaware corporation ("Lessee"),

**W I T N E S S E T H:**

WHEREAS, the Lessor and the Lessee have heretofore entered into that certain Equipment Lease Agreement dated as of September 27, 1996 (the "Lease"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings specified in the Lease;

WHEREAS, the Lease provides for the execution and delivery of a Lease Supplement substantially in the form hereof for the purpose of confirming the acceptance and lease of the Units under the Lease in accordance with the terms thereof;

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, the Lessor and the Lessee hereby agree as follows:

1. The Lessee hereby acknowledges and confirms that it has inspected and approved the Units set forth on Schedule I hereto and, as between Lessor and Lessee, such Units comply in all material respects with the specifications for such Units and are in good working order.

2. The Lessor hereby confirms delivery and lease to the Lessee, and the Lessee hereby confirms acceptance and lease from Lessor, under the Lease as hereby supplemented, of the Units listed on Schedule I hereto.

3. The Lessee hereby represents and warrants that no Casualty Occurrence has occurred with respect to the Units set forth on Schedule I hereto as of the date hereof.

4. The Closing Date of the Units described above is the date of this Lease Supplement set forth in the opening paragraph hereof.

5. The aggregate Lessor's Cost of the Units leased hereunder and the amounts comprising such Lessor's Cost are set forth on Schedule I hereto. The Casualty Loss Values, Termination Values and Early Purchase Option Price applicable to the Units are set forth in the Lease.

6. Lessee hereby confirms its agreement, in accordance with the Lease as supplemented by this Lease Supplement, to pay Rent to Lessor for each Unit leased hereunder as provided for in the Lease.

7. The execution and delivery of this Lease Supplement will in no way relieve or decrease the responsibility of any manufacturer for the warranties it has made with respect to any Unit.

8. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Lease Supplement may refer to the "Equipment Lease Agreement dated as of September 27, 1996", or may identify the Lease 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 otherwise requires.

9. This Lease Supplement shall be construed in connection with and as part of the Lease, and all terms, conditions and covenants contained in the Lease, as supplemented by this Lease Supplement, shall be and remain in full force and effect.

10. 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.

11. This Lease Supplement shall in all respect 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, the parties have duly executed this Lease Supplement No. 1 as of the date first above written.

**LESSOR:**

FLEET NATIONAL BANK, not in its individual capacity but solely as Owner Trustee

*Richard Cash*

RICHARD CASH  
Notary Public, State of New York  
No 31-4744947  
Qualified in New York County  
Commission Expires October 31, 1997

By

*[Signature]*

Name: MARK A. FORGETTA  
Title: VICE PRESIDENT

**LESSEE:**

NOVA CHEMICALS INC.

By

\_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties have duly executed this Lease Supplement No. 1 as of the date first above written

**LESSOR:**

FLEET NATIONAL BANK, not in its individual capacity but solely as Owner Trustee

By \_\_\_\_\_  
Name  
Title

**LESSEE:**

NOVA CHEMICALS INC

By                     *David F. Clarke*                      
Name: DAVID F. CLARKE  
Title: PRESIDENT

**ALL-PURPOSE ACKNOWLEDGEMENT**

State of Massachusetts )

County of Worcester )

On Sept. 24, 1996 before me, Barbara Hager, Notary Public  
Date Name and Title of Officer (i.e., Your Name, Notary Public)

personally appeared David Mike  
Name(s) of Document Signer(s)

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

WITNESS my hand and official seal.

Barbara J. Hager  
Signature of Notary

BARBARA JEAN HAGER  
Notary Public  
My Comm. Expires July 10, 2003



DESCRIPTION OF EQUIPMENT

<u>Related Closing Date</u>	<u>Number of Units</u>	<u>Size and Type of Equipment</u>	<u>Manufacturer</u>	<u>Reporting Marks</u>	<u>Lessor's Cost Per Unit</u>
September 27, 1996	490	5810 Cubic Foot Covered Hopper Cars	National Steel Car Limited	NCIX000212 through NCIX000701, inclusive.	\$68,000
September 27, 1996	20	5810 Cubic Foot Covered Hopper Cars	National Steel Car Limited	NCIX000703 through NCIX000722, inclusive.	\$68,000
September 27, 1996	5	5810 Cubic Foot Covered Hopper Cars	National Steel Car Limited	NCIX000724 through NCIX000728, inclusive.	\$68,000
September 27, 1996	17	5810 Cubic Foot Covered Hopper Cars	National Steel Car Limited	NCIX000730 through NCIX000746, inclusive.	\$68,000