

RECORDATION NO. 16588-G FILES

JUN 19 '04 3-23 PM

SURFACE TRANSPORTATION BOARD

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July 19, 2004

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, DC 20423

Dear Secretary Williams:

I have enclosed the original and one certified copy of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is Amendment No. 2 to Lease, a secondary document, dated as of July 8, 2004. The primary document to which this is connected is recorded under Recordation No. 16568. We request that one copy of this document be recorded under Recordation No. 16568-G.

The names and addresses of the parties to Amendment No. 2 to Lease are:

Lessor:

Connell Finance Company, Inc.  
One Connell Drive  
Berkeley Heights, NJ 07922

Lessee:

Stone Container Corporation  
150 North Michigan Avenue  
Chicago, IL 60601

A description of the equipment covered by Amendment No. 2 to Lease consists of 175 woodchip gondola cars numbered ASAB 1780-1954, inclusive, and four GP-38 locomotives.

**BALL JANIK LLP**

Honorable Vernon A. Williams  
July 19, 2004  
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A fee of \$30.00 is enclosed. Please return the original to:

Louis E. Gitomer  
Of Counsel  
Ball Janik LLP  
Suite 225  
1455 F Street, N.W.  
Washington, DC 20005

A short summary of the document to appear in the index follows: Amendment No. 2 to Lease between Connell Finance Company, Inc., One Connell Drive, Berkeley Heights, NJ 07922, and Stone Container Corporation, 150 North Michigan Avenue, Chicago, IL 60601, covering 175 woodchip gondola cars numbered ASAB 1780-1954, inclusive, and four GP-38 locomotives.

Very Truly Yours,



Louis E. Gitomer

Enclosures

RECORDATION NO. 16568-6 FILED

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AMENDMENT NO. 2 TO LEASE

This AMENDMENT NO. 2 to Master Equipment Lease Agreement (No. 1989A) ("Amendment No. 2") dated as of July 8, 2004 is made and entered into between **CONNELL FINANCE COMPANY, INC.**, a New Jersey corporation with its chief executive offices at One Connell Drive, Berkeley Heights, NJ 07922 ("Lessor") and **STONE CONTAINER CORPORATION**, a Delaware corporation with its chief executive offices at 150 North Michigan Avenue, Chicago, IL 60601 ("Lessee").

W-I-T-N-E-S-S-E-T-H

**WHEREAS**, Lessor and Lessee entered into that certain Master Equipment Lease Agreement (No. 1989A) as of August 31, 1989 (prior to the amendment referenced in the rest of this clause, the "Master Lease"), which was amended by Amendment No. 1 to Master Equipment Lease Agreement between Lessor and Lessee, dated as of May 1, 1990 ("Amendment No. 1"); the Master Lease as so amended being hereinafter called the "Amended Master Lease");

**WHEREAS**, pursuant to the Master Lease, Lessor and Lessee entered into Lease Schedule Series 1 – No. 1 dated August 31, 1989, Lease Schedule Series 1 – No. 2 dated September 22, 1989, Lease Schedule Series 1 – No. 3 dated October 13, 1989 and Lease Schedule Series 1 – No. 4 dated November 15, 1989, all for the lease by Lessor to Lessee of 175 woodchip gondolas (collectively, the "Series 1 Schedules");

**WHEREAS**, pursuant to the Amended Master Lease, Lessor and Lessee also entered into Lease Schedule Series 2 – No. 1 dated May 1, 1990 for the lease by Lessor to Lessee of 4 GP 38 locomotives (the "Series 2 Schedule"), and collectively with the Series 1 Schedules, the Master Lease and Amendment No. 1, the "Lease");

**WHEREAS**, the Lessor and Lessee now wish to amend the Lease as set forth herein in order to split the Lease into two separate leases, one for the Series 1 Schedules and the equipment leased thereunder (the "Series 1 Lease") and the other for the Series 2 Schedule and the equipment leased thereunder (the "Series 2 Lease");

**NOW, THEREFORE**, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, Lessor and Lessee agree as follows:

**Section 1. Amendment.** The Lease is hereby amended so that:

(a) Effective as of the date hereof, the Lease shall be split into two separate leases, which are the Series 1 Lease and the Series 2 Lease (collectively, the "Separated Leases"). The Series 1 Lease shall consist of all of the terms and conditions of the Amended Master Lease, as well as all four of the Series 1 Schedules and all of the equipment leased under such four schedules. The Series 2 Lease shall consist of all of the terms and conditions of the Amended Master Lease, as well as the Series 2 Schedule and all of the equipment leased under such schedule. As of the date hereof, Lessor will be the lessor under each of the Separated Leases.

(b) Notwithstanding any existing provision of the Lease, each of the Separated Leases shall be entirely independent of the other, as if the other did not exist, including without limitation, there shall be no cross default between them. All rights and remedies of Lessor or Lessee under each Separated Lease shall be exercisable or waivable independently of the rights and remedies under the other. Rental payments under each of the Separated Leases shall be made separately and independently of rental payments under the other. Defined terms in each of the Separated Leases shall not be construed to refer to the other or to the equipment leased under the other.



CERTIFICATION

I, Louis E. Gitomer, have compared this copy to the original Amendment No. 2 to Lease dated as of July 8, 2004, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.



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Louis E. Gitomer  
July 19, 2004