

Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman  
1877-1943  
Henry E. Cutler  
1879-1959

111 West Monroe Street, Chicago, Illinois 60603-4080  
Telephone (312) 845-3000  
Facsimile (312) 701-2361  
chapman.com

2 North Central Avenue  
Phoenix, Arizona 85004  
(602) 256-4060

50 South Main Street  
Salt Lake City, Utah 84144  
(801) 533-0066

March 20, 2001

RECORDATION NO. 22890-P FILED

MAR 20 '01 12:20 PM

SURFACE TRANSPORTATION BOARD

Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W. Room 704  
Washington, DC 20423-0001

Re: Union Carbide Corporation Lease Financing of Railroad Equipment  
Eighth Advance

Dear Mr. Williams:

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

(1) Lease Supplement No. 8 between First Security Bank, National Association, not in its individual capacity but solely as Certificate Trustee, as Lessor (the "Lessor") and Union Carbide Corporation, as Lessee (the "Lessee"). Lease Supplement No. 8 is related to the Lease Intended as Security (Union Carbide Trust No. 2000-A) between the Lessor and the Lessee dated as of April 1, 2000 which was previously filed with the Board under Recordation Number 22890.

(2) Supplement No. 8 to Assignment of Lease and Rent and Security Agreement from First Security Bank, National Association, not in its individual capacity but solely as Certificate Trustee, as Assignor (the "Assignor"), to First Security Trust Company of Nevada, as Administrative Agent, as Assignee (the "Assignee"). Supplement No. 8 to Assignment of Lease and Rent and Security Agreement is related to the Assignment of Lease and Rent and Security Agreement from the Assignor to the Assignee dated as of April 1, 2000 which was previously filed with the Board under Recordation Number 22890-B.

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

LEASE SUPPLEMENT NO. 8

Lessee: Union Carbide Corporation  
39 Old Ridgebury Road  
Danbury, Connecticut 06817-0001

Lessor: First Security Bank, National Association  
79 South Main Street  
Salt Lake City, Utah 84111

SUPPLEMENT NO. 8 TO ASSIGNMENT OF LEASE AND RENT AND SECURITY AGREEMENT

Assignor: First Security Bank, National Association  
79 South Main Street  
Salt Lake City, Utah 84111

Assignee: First Security Trust Company of Nevada  
530 Las Vegas Boulevard  
Las Vegas, Nevada 89101

The description of the equipment covered as of the date hereof by the aforesaid documents is as set forth in Annex I to the Lease Supplement No. 8 and Annex I to Schedule 1 to Supplement No. 8 to Assignment of Lease and Rent and Security Agreement.

A fee of fifty-two dollars (\$52.00) 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:

Anne A. Collins, Esq.  
Chapman and Cutler  
111 West Monroe  
Chicago, Illinois 60603

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

(1) Lease Supplement No. 8 between First Security Bank, National Association, not in its individual capacity but solely as Certificate Trustee, as Lessor, and Union Carbide Corporation, as Lessee, covering the railroad equipment described in Annex I to such document.

(2) Supplement No. 8 to Assignment of Lease and Rent and Security Agreement between First Security Bank, National Association, not in its individual capacity but solely as Certificate Trustee, as Assignor, and First Security Trust Company

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of Nevada, as Administrative Agent, as Assignee, covering the railroad equipment specifically described in Annex I to Schedule 1 to such document.

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-3746).

Sincerely,

CHAPMAN AND CUTLER

By   
Anne A. Collins

Enclosures

RECORDATION NO. 22890-P FILED

MAR 20 '01 12:20 PM

LEASE SUPPLEMENT NO. 8 SURFACE TRANSPORTATION BOARD

COUNTERPART NO. 2 OF 14 SERIALLY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

LEASE SUPPLEMENT NO. 8 dated March 20, 2001 (this "*Lease Supplement*") between Union Carbide Corporation, a New York corporation (the "*Lessee*"), and FIRST SECURITY BANK, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as Certificate Trustee under the Trust Agreement (the "*Lessor*");

WITNESSETH:

WHEREAS, Lessee and Lessor have heretofore entered into that certain Lease Intended as Security dated as of April 1, 2000 (the "*Lease*"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings specified in the Lease; and

WHEREAS, the Lease provides for the execution and delivery of a Lease Supplement on each Advance Date substantially in the form hereof for the purpose of confirming the acceptance and lease of certain Units and setting forth certain other matters, all as required pursuant to the Lease;

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

1. *Inspection and Approval.* Lessee hereby acknowledges and confirms that it has inspected and approved the Units set forth on Annex I hereto for all purposes of the Lease and the other Operative Documents and, as between the Lessor and the Lessee, such Units comply in all material respects with the specifications for such Units, are in good working order, repair, condition and appearance, and without defect therein with respect to design, manufacture, conditions, operation and fitness for use or in any other respect, whether or not discoverable by Lessee as of the date hereof. Lessee reaffirms, as

\* \* \*

Filed with the Surface Transportation Board pursuant to 49 U.S.C. § 11303 on March \_\_\_\_, 2001, at \_\_\_\_\_, Recordation Number \_\_\_\_\_ and deposited in the office of the Registrar General of Canada pursuant to § 105 of the Canada Transportation Act on March \_\_\_\_, 2001, at \_\_\_\_\_.

to the Units set forth in Annex I, each of the waivers, acknowledgments and agreements of Lessee set forth in Section 2.2 of the Lease.

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

3. *Warranty.* Lessee hereby represents and warrants that no event which would constitute an Event of Loss under the Lease has occurred with respect to the Units set forth on Annex I hereto as of the date hereof. Lessee hereby reaffirms each of the representations and warranties set forth in Section 4.1 of the Participation Agreement as if made on the date hereof, including that the Units set forth on Annex I hereto are free and clear of all Liens other than Permitted Liens.

4. *Term and Interim Term.* The term of this Lease Supplement shall commence on the date hereof and end on the Lease Expiration Date. The Interim Term of this Lease Supplement shall commence on the date hereof and end on the Interim Term Termination Date.

5. *Confirmation.* Lessee hereby confirms its agreement, in accordance with the Lease as supplemented by this Lease Supplement, to pay Rent to the Administrative Agent, for the benefit of the Lessor, for each Unit leased hereunder. Nothing herein shall reduce Lessee's obligation to make all other payments required under the Lease, including those payments to be made on the last day of the Lease Term pursuant to Article XII and Article XIII of the Lease.

6. *Grant of Security Interest.* Title to the Units shall remain in Lessor as security for the obligations of Lessee hereunder and under the other Operative Documents to which it is a party until Lessee has fulfilled all of its obligations hereunder and thereunder. Lessee hereby assigns, hypothecates, transfers and pledges to Lessor, and grants and assigns to Lessor a security interest in each Unit leased hereunder and in such Sublease covering any such Unit that may be entered into from time to time in accordance with the provisions of the Lease, and Lessee hereby grants to Lessor a continuing security interest in and assigns to Lessor all of Lessee's rights, title and interest in all of the other Lessee Collateral, to secure the payment of all sums due hereunder and under the other Operative Documents to which it is a party and the performance of all other obligations hereunder and under the other Operative Documents to which it is a party.

7. *Sale Recourse Amount.* The percentage set forth in the definition of Sale Recourse Amount has been adjusted in accordance with such definition to 79.54%.

8. *Incorporation into Lease.* 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 and shall govern the Units described on Annex I hereto.

9. *References.* Any and all notices, requests, certificates and other instruments executed and delivered concurrently with or after the execution and delivery of this Lease Supplement may refer to the "Lease Intended as Security, dated as of April 1, 2000", 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 shall otherwise require.

10. *Counterparts.* 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.

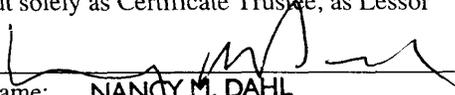
11. *Governing Law.* THIS LEASE SUPPLEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF, THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICTS OF LAWS PRINCIPLES OF SUCH STATE (EXCEPT SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

12. *Liability of Lessor Limited.* The parties hereto agree that First Security Bank, National Association, in its individual capacity ("*First Security*"), shall have no personal liability whatsoever to Lessee or its respective successors and assigns for any Claim based on or in respect of this Lease Supplement or any of the other Operative Documents or arising in any way from the transactions contemplated hereby or thereby; *provided, however*, that First Security shall be liable in its individual capacity (a) for its own willful misconduct or gross negligence (or negligence in the handling of funds), (b) for liabilities that may result from the incorrectness of any representation or warranty expressly made by it in its individual capacity in Section 4.3 of the Participation Agreement or from the failure of First Security to perform its covenants and agreements set forth in Section 6.2 of the Participation Agreement, or (c) for any Tax based on or measured by any fees, commission or compensation received by it for acting as Lessor as contemplated by the Operative Documents. It is understood and agreed that, except as provided in the preceding proviso: (i) First Security shall have no personal liability under any of the Operative Documents as a result of acting pursuant to and consistent with any of the Operative Documents; (ii) all obligations of Lessor to Lessee are solely nonrecourse obligations except to the extent that it has received payment from others; (iii) all such personal liability of First Security is expressly waived and released as a condition of, and as consideration for, the execution and delivery of the Operative Documents by First Security and (iv) this Lease Supplement is executed and delivered by First Security solely as Certificate Trustee in the exercise of the powers expressly conferred upon it as Lessor under the Trust Agreement.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Lease Supplement to be duly executed and delivered on the day and year first above written.

FIRST SECURITY BANK, NATIONAL  
ASSOCIATION, not in its individual capacity,  
but solely as Certificate Trustee, as Lessor

By:   
Name: NANCY M. DAHL  
Title: VICE PRESIDENT

UNION CARBIDE CORPORATION, as Lessee

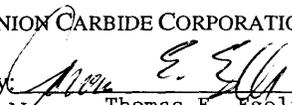
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this Lease Supplement to be duly executed and delivered on the day and year first above written.

FIRST SECURITY BANK, NATIONAL  
ASSOCIATION, not in its individual capacity,  
but solely as Certificate Trustee, as Lessor

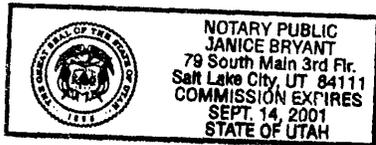
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

UNION CARBIDE CORPORATION, as Lessee

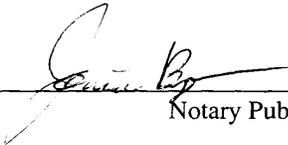
By:  \_\_\_\_\_  
Name: Thomas E. Egolf  
Title: Treasurer

STATE OF UTAH )  
 ) SS  
COUNTY OF SALT LAKE )

On this 16 day of March, 2001, before me personally appeared NANCY M. DAHL,  
to me personally known, who being by me duly sworn, say that he/she is VICE PRESIDENT  
of FIRST SECURITY BANK, NATIONAL ASSOCIATION, that said instrument was signed on such  
date on behalf of said association, and he/she acknowledged that the execution of the foregoing  
instrument was the free act and deed of said association.



[NOTARIAL SEAL]

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

My commission expires:



ANNEX I

Union Carbide Corporation

Union Tank Car Listing for March 20, 2001 Drawdown

Car #	Price	Description
CCBX 7135	\$ 89,430.00	27,000 gal oxide tank car
CCBX 7136	\$ 89,430.00	27,000 gal oxide tank car
CCBX 7137	\$ 89,430.00	27,000 gal oxide tank car
CCBX 7138	\$ 89,430.00	27,000 gal oxide tank car
CCBX 7139	\$ 89,430.00	27,000 gal oxide tank car
CCBX 7140	\$ 89,430.00	27,000 gal oxide tank car
CCBX 7141	\$ 89,430.00	27,000 gal oxide tank car
CCBX 7142	\$ 89,430.00	27,000 gal oxide tank car
CCBX 7143	\$ 89,430.00	27,000 gal oxide tank car
CCBX 7144	\$ 89,430.00	27,000 gal oxide tank car
CCBX 7145	\$ 89,430.00	27,000 gal oxide tank car
CCBX 7146	\$ 89,430.00	27,000 gal oxide tank car
CCBX 7147	\$ 89,430.00	27,000 gal oxide tank car
CCBX 7148	\$ 89,430.00	27,000 gal oxide tank car
CCBX 7149	\$ 89,430.00	27,000 gal oxide tank car
Total	\$ 1,341,450.00	
Less Discount	\$ <u>24,606.44</u>	
Total Payment	\$ 1,316,843.56	