RECORDATION NO. 5-706-A Filed & Recorded

SEP 16 1970 -11 22 AM

INTERSTATE COMMERCE COMMISSION

George P. Baker, Richard C. Bond, Jervis B. Langdon, Jr., and W. Willard Wirtz, Trustees of the property of Penn Central Transportation Company, Debtor, pursuant to an Order of the United States District Court for the Eastern District of Pennsylvania, In the Matter of Penn Central Transportation Company, Debtor, In Proceedings for the Reorganization of a Railroad, No. 70-347, hereby affirm, and take as obligations incurred by them, the following equipment financing obligations, including amendments thereto, if any:

Lease of Railroad Equipment by and between Bankers Trust Company, as Trustee, Lessor, and Penn Central Transportation Company ("Penn Central"), Lessee, dated as of April 15, 1970; Conditional Sale Agreement dated as of April 15, 1970, among General Electric Company ("Vendor"), Bankers Trust Company, as Trustee ("Vendee"), and Penn Central, as Guarantor; Agreement and Assignment dated as of April 15, 1970, between the Vendor and Mercantile-Safe Deposit and Trust Company, as Agent, ("Agent"), which has been consented to by Penn Central; and Finance Agreement dated as of April 15, 1970, among the Agent, Penn Central and the parties named in Schedules A and B thereto.

A copy of the order, and of the petition therefor, is attached hereto.

GEORGE P. BAKER, RICHARD C. BOND,
JERVIS B. LANGDON, JR., and W. WILLARD
WIRTZ, Trustees of the property of
Penn Central Transportation Company,
Debtor

By Charles R. Lee
Assistant Treasurer

Dated: August 19, 1970.

COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF PHILADELPHIA :

CHARLES R. LEE, being duly sworn, deposes and says that he is an Assistant Treasurer of Penn Central Transportation Company, Debtor, and is duly authorized by the Trustees of the property of the Debtor to execute the above instrument on their behalf.

Charles R Lee

Sworn to and subscribed
before me this 19th day
of August, 1970.

Alfonso J. DiGregorio

Alfonso J. DiGregorio
Notary Public
Philadelphia, Philadelphia County
My Commission Expires August 7, 1972

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In The Matter of	:	In Proceedings for the Reorganization of a Railroad
PENN CENTRAL TRANSPORTATION COMPANY,	:	
Debtor	:	No. 70-347

ORDER NO. 38

AND NOW, this 19th day of August, 1970, upon consideration and hearing upon notice of the Trustees' petition for an order entitled "PETITION OF TRUSTEES CONCERNING CERTAIN EXECUTORY EQUIPMENT OBLIGATIONS," as amended, it is hereby ORDERED:

That said Trustees are authorized and directed forthwith to affirm in writing the obligations relating to the equipment financing described in their petition, as amended, concerning this matter so that such obligations shall have the same status as all other similar obligations incurred by said Trustees; and that said Trustees are authorized to take such steps as may be necessary to carry out the Debtor's obligations under the agreements described in said petition.

/s/ John P. Fullam
John P. Fullam
District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In The Matter of	:	In Proceedings for the Reorganization of a Railroad
PENN CENTRAL TRANSPORTATION COMPANY,	:	
Debtor	:	No. 70-347

ORDER 34

AND NOW, this 19th day of August, 1970 upon consideration of the within Motion, it is hereby ORDERED that the Motion to Amend the Petition of Trustees concerning certain executory equipment obligations, dated August 10, 1970, is hereby granted.

John P. Fullam
District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In The Matter of	:	In Proceedings for the Reorganization of a Railroad
PENN CENTRAL TRANSPORTATION COMPANY,	:	
Debtor	:	No. 70-347

MOTION TO AMEND PETITION OF TRUSTEES CONCERNING CERTAIN EXECUTORY EQUIPMENT FINANCING OBLIGATIONS

George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz, Trustees of the property of Penn Central Transportation Company, Debtor, by their counsel, Robert W. Blanchette, respectfully request that this Court grant leave to the Petitioners to amend the Petition for an Order in this matter in the following respects:

1. The next to the last sentences of subparagraphs B and C of paragraph 1 should read as follows: "A prerequisite to settlement for the balance of the units of equipment under this Lease is that the Lease, the Conditional Sale Agreement, the Assignment and the Finance Agreement constitute valid, legal and binding agreements of the Debtor enforceable in accordance with their terms."

2. The heading for subparagraph C of paragraph 1 should read as follows:

> "Lease of Railroad Equipment by and between GATX-Armco-Boothe, Lessor, and Penn Central Transportation Company, ("Penn Central"), Lessee, dated as of March 1, 1970; Conditional Sale Agreement dated as of March 1, 1970, among W. O. Brem and T. K. Hand, Jr., ("Vendors"), Brooke/Tricia ("Tricia")

Corporation, ("Vendee"), and Penn Central, Guarantor; and Agreement and Assignment dated as of March 1, 1970, between the Vendors and The First Pennsylvania Banking and Trust Company, Agent, ("Agent"), which has been consented to by Penn Central; and Finance Agreement dated as of March 1, 1970, among the Agent, Penn Central and the parties named in schedules A & B thereto."

WHEREFORE, Petitioners respectfully request that this Court enter an Order granting leave to amend the Petition of the Trustees for an Order in this matter in accordance with the within Motion.

George P. Baker, Richard C. Bond,
Jervis Langdon, Jr., and Willard
Wirtz, Trustees of the Property of
Penn Central Transportation Company,
Debtor

By_____
ROBERT W. BLANCHETTE
Counsel for Trustees

Dated: August 19, 1970

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In the Matter of	:	In Proceedings for the Reorganization of a Railroad
PENN CENTRAL TRANSPORTATION COMPANY,	:	
Debtor	:	No. 70-347

PETITION OF TRUSTEES CONCERNING
CERTAIN EXECUTORY EQUIPMENT
OBLIGATIONS

George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and W. Willard Wirtz, Trustees of the property of the Debtor, herein, respectfully represent to the Court:

1. Prior to the filing of the Petition for Order No. 1 herein, the Debtor incurred obligations under certain Leases of Railroad Equipment, as follows:

A. Lease of Railroad Equipment by and between Ford Motor Credit Company, Lessor, and Penn Central Transportation Company, Lessee, dated as of January 30, 1970

The equipment under this Lease consists of the following (all numbers stated herein are inclusive): two hundred and forty-eight (248) sixty-foot, seventy-ton box cars numbered 275138 through 275385; two hundred and sixty (260) fifty-two-foot six-inch, one hundred-ton gondola cars numbered 564690 through 564949; one hundred and thirty-five (135) one hundred-ton coil steel cars numbered 752600 through 752734; ninety (90) eighty-six-foot, one hundred-ton box cars numbered 295623 through 295712; one hundred (100)

fifty-two-foot, six-inch gondola cars numbered 40000 through 40099; sixteen (16) eighty-six-foot, seventy-ton box cars numbered 295607 through 295622. All of the aforesaid equipment costing $18,584,255 has been purchased and settled for by the lessor and delivered to the Debtor under the Lease. In addition, there are seventeen (17) eighty-six-foot one hundred-ton box cars numbered 295672 through 295685, and 295727 through 295729, costing $612,000 which are to be purchased and settled for by the lessor and delivered under the Lease. All of this is equipment, with a total cost of $19,196,255, is new, has been delivered, and is in operation.

The rental under this Lease consists of 180 monthly payments, payable on the 25th day of each month in an amount equal to .9921% of the purchase price (to the lessor) of the equipment subject to certain adjustments. The maximum contemplated monthly rental under this Lease is $190,446. Four (4) payments have been made to date. There are provisions for renewal of the Lease and for purchase of the equipment at fair market value, at the end of the initial term of the Lease which is fifteen years.

There is a five-day grace period for making rental payments due under the Lease. An "event of default" occurs thereunder following the filing by the Debtor of its Petition for reorganization under Section 77 of the Bankruptcy Act if all the obligations of the Debtor thereunder shall not have been duly assumed in writing by the Trustees, pursuant

to a court order or decree, in such manner that such obligations shall have the same status as obligations incurred by the Trustees, within thirty (30) days of the appointment of such Trustees or within sixty (60) days after such Petition was filed, whichever shall be earlier.

A prerequisite to settlement for the balance of the units of equipment under this Lease is that the Lease constitute a valid, legal and binding agreement of the Debtor enforceable in accordance with its terms. This cannot be so until the Lease is assumed as hereinabove set forth.

B. Lease of Railroad Equipment by and between GATX-Armco-Boothe, Lessor, and Penn Central Transportation Company ("Penn Central"), Lessee, dated as of March 1, 1970; Conditional Sale Agreement dated as of March 1, 1970, among J. A. Zerbe and R. J. Young ("Vendors"), Brooke/Tricia Corporation ("Vendee"), and Penn Central, as Guarantor; and Agreement and Assignment dated as of March 1, 1970, between the Vendors and The First Pennsylvania Banking and Trust Company, ("Agent"), which has been consented to by Penn Central; and Finance Agreement dated as of March 1, 1970, among the Agent, Penn Central and the parties named in schedules A and B thereto.

The equipment under this Lease insofar as it relates to the Conditional Sale Agreement described above, consists of the following (all numbers stated herein are inclusive): five hundred (500) fifty-two-foot, six-inch one hundred-ton gondola cars numbered 578750 through 579249; and fifty-five (55) cabin cars numbered 18545 through 18599; all of which have been purchased and settled for by the lessor and delivered to the Debtor under the Lease. In

addition, there are fifty-one (51) sixty-five-foot, seventy-ton gondola cars numbered 592000 through 592050, which are to be purchased and settled for by the lessor under the Lease. All of this is new equipment and all of the equipment has been delivered under the Lease and is in operation.

The total cost of this equipment if $8,875,935, all of which has been purchased and settled for by the lessor except for $930,750.

The rental under this Lease consists of sixty (60) quarterly payments due on January 28, April 28, July 28 and October 28, beginning on July 28, 1970, in an amount equal to 2.8386% of the purchase price to the lessor of the equipment, subject to certain adjustments. The maximum contemplated quarterly rental under this transaction is $251,952. There are provisions for renewal of the Lease and purchase of the equipment at fair market value, at the end of the initial term of the Lease which is fifteen years.

There is a five-day grace period for making rental payments due under the Lease. An "event of default" occurs thereunder following the filing by the Debtor of its Petition for reorganization under Section 77 of the Bankruptcy Act if all the obligations of the Debtor under the Conditional Sale Agreement and the Lease shall not have been duly assumed in writing, pursuant to a court order or decree by the Trustees in such a manner that such obligations shall have the same status as obligations incurred by the Trustees within thirty (30) days of the appointment of such Trustees or within

sixty (60) days after such Petition was filed, whichever shall be earlier. A prerequisite to settlement for the balance of the units of equipment under this Lease is that the Lease, the Conditional Sale Agreement and the Assignment constitute valid, legal and binding agreements of the Debtor, enforceable in accordance with their terms. This cannot be so until the agreements are assumed as hereinabove set forth.

C. Lease of Railroad Equipment by and between GATX-Armco-Boothe, Lessor, and Penn Central Transportation Company ("Penn Central"), Lessee, dated as of March 1, 1970; Conditional Sale Agreement dated as of March 1, 1970, among W. O. Brem and T. K. Hand, Jr., ("Vendors"), Brooke/Tricia ("Tricia") Corporation, ("Vendee"), and Penn Central, Guarantor; and Agreement and Assignment dated as of March 1, 1970, between the Vendors and The First Pennsylvania Banking and Trust Company, Agent, which has been consented to by Penn Central.

The equipment under this Lease insofar as it relates to the Conditional Sale Agreement described above consists of the following (all numbers stated herein are inclusive): sixty-five (65) fifty-five-foot, one hundred-ton coil steel cars numbered 752735 through 752799, which have been purchased and settled for by the lessor and delivered to the Debtor under the Lease. In addition, there are ninety (90) sixty-foot, one hundred-ton box cars numbered 220880 through 220889; 220893 through 220946; 275386 through 275398; and 279031 through 279043; seventy-nine (79) sixty-foot one hundred-ton box cars numbered 220947 through 221025; fourteen (14) fifty-foot one hundred-ton box cars numbered 210939 through 210952;

forty-seven (47) eighty-six-foot one hundred-ton box cars numbered 295730 through 295776; thirty-two (32) sixty-foot one hundred-ton box cars numbered 275412 through 275443; and fifty-five (55) fifty-foot seventy-ton Air Pak Cushion cars numbered 264596 through 264650, which are to be purchased and settled for by the lessor under the Lease.

All of this is new equipment and about 60% of the equipment has been delivered under the Lease and is in operation.

The total cost of this equipment is $9,219,875, of which $7,813,730 remains to be settled for.

The rental under this Lease consists of sixty (60) quarterly payments due on January 28, April 28, July 28 and October 28, beginning on July 28, 1970, in an amount equal to 2.8386% of the purchase price (to the lessor) of the equipment, subject to certain adjustments. The maximum contemplated quarterly rental under this transaction is $261,715. There are provisions for renewal of the Lease and purchase of the equipment at fair market value, at the end of the initial term of the Lease which is fifteen years.

There is a five-day grace period for making rental payments due under the Lease. An "event of default" occurs thereunder following the filing by the Debtor of its Petition for reorganization under Section 77 of the Bankruptcy Act if all the obligations of the Debtor under the Conditional Sale Agreement and the Lease shall not have been duly assumed in

writing, pursuant to a court order or decree by the Trustees, in such a manner that such obligations shall have the same status as obligations incurred by the Trustee within thirty (30) days of the appointment of such trustees or within sixty (60) days after such Petition was filed, whichever shall be earlier.

A prerequisite to settlement for the balance of the units of equipment under this Lease in that the Lease, the Conditional Sale Agreement and the Assignment constitute valid, legal and binding agreements of the Debtor, enforceable in accordance with their terms. This cannot be so until the agreements are assumed as hereinabove set forth.

D. Lease of Railroad Equipment by and between Bankers Trust Company, as Trustee, Lessor, and Penn Central Transportation Company ("Penn Central"), Lessee, dated as of April 15, 1970; Conditional Sale Agreement dated as of April 15, 1970, among General Electric Company ("Vendor"), Bankers Trust Company, as Trustee ("Vendee"), and Penn Central, as Guarantor; Agreement and Assignment dated as of April 15, 1970, between the Vendor and Mercantile-Safe Deposit and Trust Company, as Agent, ("Agent"), which has been consented to by Penn Central; and Finance Agreement dated as of April 15, 1970, among the Agent, Penn Central and the parties named in Schedules A and B thereto.

The equipment under this Lease, insofar as it relates to the Conditional Sale Agreement described above, consists of the following (all numbers stated herein are inclusive): ten (10) 3300 horsepower model U33B diesel-electric locomotives numbered 2956 through 2965, which have been purchased and settled for by the lessor and delivered to the Debtor

under the Lease. In addition, there are nineteen (19) 2250 horsepower model U23C diesel-electric locomotives numbered 6700 through 6718; and five (5) 3300 horsepower model U33B diesel-electric locomotives numbered 2966 through 2970, which are to be purchased and settled for by the lessor under the Lease. All of this is new equipment and twelve (12) of the diesel-electric locomotives have been delivered under the Lease and are in operation.

The total cost of this equipment is $8,785,548, of which $6,153,708 remains to be settled for by the lessor.

The rental under this Lease consists of thirty (30) semi-annual payments, payable on May 15 and November 15 in each year commencing November 15, 1970. The first such payment shall be an amount equal to 1.5051% of the purchase price of the equipment with certain adjustments, the next nine (9) semi-annual payments shall be an amount equal to 4.2% of such purchase price, and the last twenty (20) semi-annual payments shall be an amount equal to 6.7404% of such purchase price. The maximum semi-annual payments contemplated under this transaction are $368,993 for the first ten (10) payments and $592,181 for the final twenty (20) payments.

There is a five-day grace period for making rental payments due under the Lease. An "event of default" occurs thereunder following the filing by the Debtor of its Petition for reorganization under Section 77 of the Bankruptcy Act if all the obligations of the Debtor under the Conditional Sale Agreement and the Lease, shall not have been duly assumed in

writing, pursuant to a court order or decree by the Trustees, in such a manner that such obligations shall have the same status as obligations incurred by the Trustee within thirty (30) days of the appointment of such Trustees or within sixty (60) days after such Petition shall have been filed, whichever shall be earlier.

A prerequisite to settlement for the balance of the units of equipment under this Lease is that the Lease, the Conditional Sale Agreement, the Agreement and Assignment and the Finance Agreement constitute valid, legal and binding agreements of the Debtor, enforceable in accordance with their terms. This cannot be so until the agreements are assumed as hereinabove set forth.

E. Lease of Railroad Equipment by and between Bankers Trust Company, as Trustee, Lessor, and Penn Central Transportation Company ("Penn Central"), Lessee, dated as of April 15, 1970; Conditional Sale Agreement dated as of April 15, 1970, among General Motors Corporation (Electro-Motive Division) ("Vendor"), Bankers Trust Company, as Trustee, ("Vendee"), and Penn Central, as Guarantor; Agreement and Assignment dated as of April 15, 1970, between the Vendor and Mercantile-Safe Deposit and Trust Company, as Agent, ("Agent"), which has been consented to by Penn Central; and Finance Agreement dated as of April 15, 1970, among the Agent, Penn Central and the parties named in Schedules A and B thereto.

The equipment under this Lease insofar as it relates to the Conditional Sale Agreement described above, consists of the following (all numbers stated herein are inclusive): forty-three (43) 2000 horsepower model GP 38

diesel-electric locomotives numbered 7825 through 7867; and thirty-five (35) 2000 horsepower model SD 38 diesel-electric locomotives numbered 6925 through 6959; all of which have been purchased and settled for by the lessor and delivered to the Debtor under the Lease. These are all new locomotives and are all in operation.

The total cost of this equipment is $17,578,198, all of which has been settled for by the lessor. This is the same Lease as that described in subparagraph D, the Lease covering equipment purchased under two Conditional Sale Agreements.

The rental under this Lease consists of thirty (30) semi-annual payments, payable on May 15 and November 15 in each year commencing November 15, 1970. The first such payment shall be an amount equal to 1.5051% of the purchase price of the equipment with certain adjustments, the next nine (9) payments shall be an amount equal to 4.2% of such purchase price, and the last twenty (20) payments shall be an amount equal to 6.7404% of such purchase price. The maximum semi-annual payments contemplated under this transaction are $738,284 for the first ten (10) payments and $1,184,841 for the final twenty (20) payments.

There is a five-day grace period for making rental payments due under the Lease. An "event of default" occurs thereunder following the filing by the Debtor of its Petition for reorganization under Section 77 of the Bankruptcy Act if all the obligations of the Debtor under the Conditional Sale Agreement and the Lease shall not have been duly assumed in

writing, pursuant to a court order or decree by the Trustees, in such a manner that such obligations shall have the same status as obligations incurred by the Trustees within thirty (30) days of the appointment of such trustees or within sixty (60) days after such Petition shall have been filed, whichever shall be earlier.

A prerequisite to delivery of units under this Lease is that the Lease, the Conditional Sale Agreement, the Agreement and Assignment and the Finance Agreement constitute valid, legal and binding agreements of the Debtor, enforceable in accordance with their terms. This cannot be so until the agreements are assumed as hereinabove set forth.

2. The leases and other agreements listed in paragraph 1 relate to rolling stock recently constructed or currently undergoing construction for lease by the Debtor. The Trustees are of the opinion and therefore allege that all such rolling stock is needed in the operation of Debtor's railroad and the terms of the leases are fair and reasonable.

3. Under the aforesaid leases and agreements none of the equipment remaining to be settled for can be purchased, settled for, and delivered and the Debtor will be in default in regard to all of the equipment covered by the aforesaid agreements unless Debtor's obligations thereunder have been duly assumed in writing, pursuant to a court order or decree by the Trustees, in such manner that Debtor's obligations

thereunder shall have the same status as obligations incurred by the Trustees within thirty (30) days after the appointment of such Trustees or within sixty (60) days after filing of the Debtor's Petition for reorganization, whichever shall be earlier.

The Trustees are of the opinion and, therefore, allege that adoption of the contracts described in paragraph 1 hereof and performance by the Debtor of its obligations thereunder is in the best interest of the Debtor's estate.

WHEREFORE, Petitioners pray that an Order be entered herein:

(a) Prescribing the manner of notice of hearing to be held on this Petition and fixing a time and place for such hearing and after such hearing enter an Order;

(b) authorizing and directing Trustees to affirm in writing the obligations described in paragraph 1 of this Petition;

(c) giving these obligations the same status as all other similar obligations incurred by the Trustees; and

(d) authorizing Trustees to take such steps as may be necessary to carry out Debtor's obligations under these agreements; and

(e) granting such other and further relief as this Court may deem appropriate.

GEORGE P. BAKER, RICHARD C. BOND, JERVIS LANGDON, JR., and W. WILLARD WIRTZ, Trustees of the property of Penn Central Transportation Company, Debtor

Robert W. Blanchette, Esq.
Attorney for Trustees

By_____
Jervis Langdon, Jr.,
one of the Trustees

Dated:

August 10, 1970

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF PHILADELPHIA :

JERVIS LANGDON, JR., being duly sworn, deposes and says that he is a Trustee of the property of Penn Central Transportation Company, Debtor, and is duly authorized by his fellow Trustees to make the above Petition on their and his behalf, and that the statements contained in said Petition are true to the best of his knowledge, information and belief.

_____

Sworn to and subscribed
before me this day
of August, 1970.

_____
Charles E. Cassel, Jr.
Notary Public, Philadelphia, Philadelphia
Co. My Commission Expires July 10, 1971.

ORDER OF NOTICE

Upon reading the foregoing, it is ORDERED:

1. That said Petition is hereby set down for hearing in this Court at 10:00 A.M., or as soon thereafter as the Court can hear the same, on the nineteenth day of August, 1970, at Philadelphia, Pennsylvania.

2. That Petitioners be and they hereby are directed to give notice of said hearing by timely mailing copies of said Petition and this Order to all parties who are customarily notified of hearings in these proceedings, and the parties named in paragraph 1.

ENTER:

_____

J.